July 2010

MISSOURI'S 529 COLLEGE SAVINGS PLAN

CLINT ZWEIFEL
MISSOURI STATE TREASURER

Chair, Missouri Higher
Education Savings
Program Board

A Smarter Way to Save for College

Program Description, Privacy Policy, and Participation Agreement

No security issued by MOST—Missouri's 529 College Savings Plan
has been registered with or approved by the United States Securities and
Exchange Commission or any state securities commission.

Program Description

Contents

MOST—Missouri's 529 College Savings Plan Highlights

Purpose of the Plan	To help individuals and families save for college expenses through a tax-advantaged investment plan sponsored by the State of Missouri.
Who's Who in the Plan	The State of Missouri sponsors MOST—Missouri's 529 College Savings Plan (the "Plan"). Upromise Investments, Inc. and Upromise Investment Advisors, LLC serve as Program Manager and Recordkeeping and Servicing Agent, respectively. The MOST Services Contract between Upromise and the State Treasurer will run through June 2011. Investment management services are provided by The Vanguard Group and American Century Investments. See **Part 1. Introduction, page 4**.
Contact Information	MOST—Missouri's 529 College Savings Plan Upromise Investments Service Center P.O. Box 219212 Kansas City, MO 64121-9212 **www.missourimost.org** **E-mail:** most529@missourimost.org **Phone:** 888-414-MOST (888-414-6678)
Eligibility (Account Owner)	The Plan is open to all U.S. citizens and resident aliens who have a Social Security number or taxpayer identification number, and have a U.S. permanent address that is not a P.O. box. There are no restrictions on state of residence or income. Corporations and certain other types of entities may participate in the Plan. See **Part 2. Getting Started, page 5**.
Beneficiary	The Beneficiary may be a U.S. citizen or resident alien, with a Social Security number or taxpayer identification number, of any age, from newborn to adult. You can change Beneficiaries or transfer a portion of the account to a different Beneficiary without adverse tax consequences, provided the two Beneficiaries are members of the same family. See **Part 7. Other Information About Your Account—Changing the Beneficiary, page 28**.
Contributions	Contributions may be made by anyone, regardless of their income. Initial Contribution: $25 minimum ($15 through payroll direct deposit, if available). Additional Contributions: $25 minimum ($15 through payroll direct deposit, if available). You may also receive a minimum gift contribution of $25 through Ugift—Give College Savings. Maximum Contribution Limit: $235,000—Accounts for the same Beneficiary that have reached the Maximum Contribution Limit may continue to accrue earnings, but additional contributions are prohibited. See **Part 7. Other Information About Your Account—Contributions, page 22**.
Investment Options and Performance	17 different investment options, managed by Vanguard or American Century: • 3 Age-Based Options. • 14 Individual Portfolios. See **Part 3. The Plan Investment Options, page 6**.
Risk Factors of the Plan	Investing in the Plan involves certain risks, including (i) the possibility that you may lose money over short or even long periods, (ii) the risk of federal and/or state tax law changes, (iii) the risk of Plan changes including changes in fees, and (iv) the risk that contributions to the Plan may adversely affect the eligibility of the Beneficiary or the Account Owner for financial aid or other benefits. See **Part 5. Risks of Investing in the Plan, page 20**.
Fees and Charges	Asset-based management fee: 0.55% to 1.58%, depending on the investment option. Other charges may apply. See **Part 4. The Plan Fees and Charges, page 18**.

Tax Advantages	• Earnings accrue free from federal income tax. • Depending upon the state where you live or pay state income tax, your earnings may or may not be subject to state income tax. • Up to $8,000 per year deduction from Missouri state income tax for single filers ($16,000 if married filing jointly). • No federal income tax on Qualified Withdrawals. • No gift tax on contributions up to $65,000 (single) and $130,000 (married filing jointly)—prorated over five years. Contributions to a 529 college savings plan are not deductible for federal income tax purposes. This Program Description does not contain tax advice. You should consult your tax advisor for more information. See **Part 8. Federal and State Tax Treatment, page 28**.
Qualified Withdrawals	Assets in your Plan account can be used to pay for tuition, room and board (with limitations), books, supplies, fees, and equipment required for enrollment or attendance at any eligible postsecondary school in the U.S. or abroad. See **Part 7. Other Information About Your Account—Withdrawals, page 25**.
Account Control	As Account Owner, you can: • Retain control of how and when the money is used. • Change the Beneficiary without paying federal income tax or a penalty, if the new Beneficiary is a qualifying family member of the former Beneficiary. • Make Nonqualified Withdrawals, subject to applicable federal and state income taxes on earnings and a 10% federal penalty tax on earnings. See **Part 7. Other Information About Your Account, page 22**.
Online Applications and Account Information	• Account Owners may enroll online or obtain an enrollment application at **www.missourimost.org**, or by mail. • Account Owners may choose to receive periodic account statements, transaction confirmations, and other personal correspondence online, rather than in paper format. • Other account activities can be completed online, including exchanges, Qualified Withdrawals, and account maintenance. See **Part 2. Getting Started, page 5**.
Privacy Policies	All information you provide to the Plan is treated confidentially. The State of Missouri and Upromise have privacy policies for the benefit of Plan Account Owners. See **The Plan Privacy Policy, page 33**.

Part 1. Introduction

General Information About 529 Plans and the Plan

Section 529 of the Internal Revenue Code permits states and state agencies to sponsor qualified tuition programs ("529 plans"), which are tax-advantaged programs intended to help individuals and families pay the costs of higher education. MOST—Missouri's 529 College Savings Plan (the "Plan") is a 529 plan sponsored by the State of Missouri. Even if you do not live in Missouri, you may invest in the Plan.

Prospective Account Owners should consider many factors before deciding to invest in a 529 plan such as the Plan, including the Plan's investment options and its performance history, the Plan's flexibility and features, the reputation and expertise of the Plan's investment managers, the Plan's contribution limits, the Plan's fees and expenses, and federal and state tax benefits associated with an investment in the Plan.

Who's Who in the Plan

The Trust—The Missouri Higher Education Savings Program (the "Program Trust") is a trust created by the State of Missouri. When you invest in the Plan, you are purchasing Portfolio Units issued by the Program Trust. Portfolio Units are municipal securities.

The Board—The Plan has been implemented and is administered by the Missouri Higher Education Savings Program Board (the "Board"). The Board, whose chairman is the State Treasurer, has established a qualified tuition program within the meaning of Section 529 of the Internal Revenue Code of 1986. Missouri's qualified tuition program consists of two investment programs, including the Plan described in this Program Description and the MOST 529 Advisor Plan, which is described in a different program description.

Upromise—Upromise is the entity chosen by the Board to be the Program Manager for MOST—Missouri's 529 College Savings Plan, responsible for the day-to-day operations of the Plan. ("Upromise" is used to refer collectively or individually, as the case requires, to Upromise Investments, Inc. and Upromise Investment Advisors, LLC.) Under the MOST Services Contract between Upromise and the Board (which expires in 2011 and may be terminated sooner under certain circumstances, including a material breach of the contract by Upromise or if subsequent legislation or regulation changes, making the continued operation of the Program Trust not in the best interest of you or the beneficiaries), the Board may hire new or additional entities in the future to manage all or part of the Plan's assets. With the exception of service providers authorized by the Board and retained by Upromise to provide certain services under the MOST Services Contract, Upromise will not be liable for the acts or omissions of other service providers to the Plan or the Board prior to or after June 2006.

Vanguard—Vanguard is the entity chosen by the Board and Upromise to be one of the Plan's Investment Managers and to assist Upromise in marketing the Plan and distributing the securities issued through the Plan. ("Vanguard" is used to refer collectively or individually, as the case requires, to The Vanguard Group, Inc., Vanguard Marketing Corporation, and their affiliates.)

American Century Investments ("American Century")—Missouri-based American Century is the entity chosen by the Board to be one of the Plan's Investment Managers.

Throughout this document, the State of Missouri, any instrumentality of the state, the Program Trust, the Board, Upromise, Vanguard, and American Century are referred to collectively as "Associated Persons" of the Plan.

Important Legal Information

IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT. The Plan is required by federal law to obtain from each person who opens an account certain personal information—including name, street address, and date of birth, among other information—that will be used to verify identity. If you do not provide us with this information, We will not be able to open the account. If We are unable to verify your identity, the Plan reserves the right to close your account or take other steps We deem reasonable.

529 plans are intended to be used only to save for qualified higher-education expenses. 529 plans are not intended to be used, nor should they be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax advisor based on their own particular circumstances.

Tax disclaimer. In order to comply with Treasury Department regulations, We advise you that this Program Description is not intended to constitute, nor does it constitute, legal or tax advice. This Program Description was developed to support the marketing of the Plan and cannot be relied upon for purposes of avoiding the payment of federal tax penalties. You should consult your legal or tax advisor about the impact of these rules on your individual situation.

State tax and other benefits. If you are not a Missouri taxpayer, consider before investing whether your or the beneficiary's home state offers a 529 plan that provides its taxpayers with favorable state tax or other benefits that may only be available through investment in the home state's 529 plan, and which are not available through investment in the Plan. Since different states have different tax provisions, this Program Description contains limited information about the state tax consequences of investing in the Plan. Therefore, please consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You may also wish to contact your home state's 529 plan(s), or any other 529 plan, to learn more about those plans' features, benefits, and limitations. Keep in mind that state-based benefits should be one of

many appropriately weighted factors to be considered when making an investment decision.

Investments are not guaranteed or insured. Investments in the Plan are not guaranteed or insured by the Plan, any of its Associated Persons, the Federal Deposit Insurance Corporation ("FDIC"), or any other entity. The value of your account will depend on market conditions and the performance of the investment options you select. Investments in the Plan can go up or down in value, and you could lose money by investing in the Plan.

Other 529 plan investment programs sponsored by Missouri. Missouri sponsors two investment programs through its 529 plan. One, the Plan, is described in this Program Description and is available for investing directly through the Program Manager without a financial advisor. The Plan reserves the right to change, at any time, the investment options, the Portfolios included in the Age-Based Options, the asset allocations of the Individual Portfolios, or the Underlying Funds in which any of the Portfolios invest. The other Missouri 529 plan investment program, MOST—Missouri's 529 Advisor Plan, is sold through financial advisors and has different investment options and fees. This Program Description is not intended for use in connection with accounts opened in the advisor program. Please go to **www.most529advisor.org** for information and materials about the advisor program.

The Plan is not a mutual fund. Although money contributed to the Plan will be invested in portfolios that hold Vanguard or American Century mutual funds or a separate account, or both, neither the Plan nor any of the Plan's investment portfolios are mutual funds. An investment in the Plan is an investment in municipal fund securities that are issued and offered by the Program Trust. These securities are not registered with the U.S. Securities and Exchange Commission ("SEC") or any state. The Program Trust, the Plan, and the Plan's portfolios are not registered as investment companies with the SEC or any state.

Suitability. The Plan and its Associated Persons make no representations regarding the suitability of the Plan's investment options for any particular investor. Other types of investments and other types of college savings vehicles may be more appropriate depending upon your personal circumstances. Please consult your tax or investment advisor for more information.

Not an offer to sell. This Program Description does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of a security issued by the Program Trust by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation, or sale.

Information subject to change. The information in this Program Description is believed to be accurate as of the cover date but is subject to change without notice. No one is authorized to provide information that is different from the information in the most current form of this Program Description and any amendments to this Program Description.

Important reference material. Please keep this Program Description for future reference. This document gives you important information about the Plan, including information about the investment risks associated with, and the terms under which you agree to participate in, the Plan.

Part 2. Getting Started

This section offers a brief overview of the process needed to (1) open an account with the Plan, (2) choose a Beneficiary, (3) choose a successor Account Owner, (4) choose your investment options, and (5) contribute money to an account.

Before you begin, it is important that you understand two terms used throughout this Program Description:

- The **Account Owner** is the person who opens an account with the Plan and controls the assets held in the account. References in this document to "you" mean you in your capacity as the Account Owner.
- The **Beneficiary** (future student) is the person designated by the Account Owner whose higher-education expenses will be paid (in whole or in part) using money from the account.

1. Opening an Account

Who Can Open an Account?

To be an Account Owner, you must be a U.S. citizen or resident alien and must have a Social Security number or taxpayer identification number. You must provide the Plan with a U.S. permanent address that is not a post office box. Corporations and certain other types of entities may participate in the Plan. If you are opening an account as a trust, you must include copies of the pages of the trust agreement containing the name of the trust, the date of the trust, and a listing of all trustees and their signatures. A state or local government (or agency or instrumentality) or organization described in Section 501(c)(3) of the Internal Revenue Code may open an account to fund scholarships. Please provide any legal documentation that identifies the person(s) who have the authority to act on behalf of the account. Minors may be Account Owners; however, if an account is opened in the name of a minor as Account Owner, a parent or guardian must execute the Enrollment Application on behalf of the minor.

Although contributions to an account can be made by anyone, only the Account Owner can control how those assets are invested and used. There can be only one Account Owner per account. You may grant another person the ability to take certain actions with respect to your account by completing the appropriate form(s). You may name a successor Account Owner to assume control of the account if you die or are unable to continue as the Account Owner.

How Do You Open an Account?

- Online: Complete the Enrollment Application online at **www.missourimost.org**.
- By mail: Complete, sign, and mail an Enrollment Application to MOST—Missouri's 529 College Savings Plan.

Please see **Part 7. Other Information About Your Account** for a description of the Enrollment Application process and for more details on setting up an account with the Plan.

2. Choosing a Beneficiary

- Designate a Beneficiary for the account on your Enrollment Application. A Beneficiary must be a U.S. citizen or resident alien, and have a Social Security number or taxpayer identification number.
- You may designate only one Beneficiary per account, but different Account Owners may establish different accounts for the same Beneficiary.
- You do not have to be related to the Beneficiary.
- You may designate yourself as Beneficiary.

3. Choosing a Successor Account Owner

You may wish to consider designating who will become the Account Owner if you should die or are unable to continue as the Account Owner. This is optional but recommended by the Plan. Please see **Part 7. Other Information About Your Account—Designation of Successor Account Owner**.

4. Choosing an Investment Option

You may select from a number of investment options. The options fall into two categories:

- Age-Based Options (3 options). The asset allocation of money invested in the Age-Based Options is automatically adjusted over time to become more conservative as the Beneficiary approaches college age.
- Individual Portfolios (14 options). The asset allocation of money invested in any of the Individual Portfolios is static; it does not change over time.

Each time you contribute you may choose up to five investment options. You must allocate a minimum of 5% of the contribution to each option you choose. Please see **Part 3. The Plan Investment Options** for details about the Plan's investment options, including investment objectives, strategies, risks, and fees.

5. Contributing to an Account

Initial Contribution

- The minimum initial investment in the Plan is $25 unless you are enrolling online through payroll direct deposit. The minimum initial investment through payroll direct deposit is $15.

Additional Contributions

- You may make additional contributions to your account at any time. The minimum additional contribution is $25 ($15 through payroll direct deposit if available). You may also receive a minimum gift contribution of $25 through Ugift—Give College Savings.

Rollover Contributions and Other Transfers

- You may contribute to the Plan through a rollover or transfer from another state's 529 plan, from another 529 plan sponsored by the State of Missouri, or from another account in the Plan.

Other Contributions

- You may contribute with assets liquidated from an UGMA/UTMA custodial account, an education savings account, or certain U.S. savings bonds issued after 1989.

Please see **Part 7. Other Information About Your Account—Contributions** for additional details on contributing to your account, setting up an automatic investment plan, and the guidelines relating to transfers and rollovers.

Part 3. The Plan Investment Options

Investment Option Summary

The Plan offers many different investment options for your contributions.

- You can choose from among 3 Age-Based Options, in which your money automatically is moved to progressively more conservative Portfolios as your Beneficiary approaches college age. You can select the Age-Based Option—conservative, moderate, or aggressive—that best reflects your own risk tolerance.
- You can choose from among 14 Individual Portfolios that offer investment choices of stock funds or bond funds. If you choose an Individual Portfolio, your money will remain in that Portfolio until you instruct the Plan to move it.

Whenever you contribute money to your account, you may allocate the contribution among a maximum of five investment options. For example, you may choose five Individual Portfolios, or one Age-Based Option and four Individual Portfolios, etc.

Regardless of how many investment options you select, you must allocate a minimum of 5% of your contribution to each option you choose. For example, you could choose three investment options and allocate your contribution 60%, 35%, and 5%.

Each investment option invests its assets in one or more mutual funds or separate accounts managed by Vanguard or American Century (the "Underlying Funds"). Please keep in mind that you will not own shares of the mutual funds or interests in the separate accounts. You are purchasing units in the state Program Trust, which invests your money in the Underlying Funds.

The Board reserves the right to change, at any time and without prior notice, the investment options, the Portfolios that make up the Age-Based Options, the asset allocation of the Individual Portfolios, or the Underlying Funds in which the Portfolios invest.

Note: The investment time horizon for college investing is expected to be very short relative to that for retirement investing (i.e., 5 to 20 years versus 30 to 60 years). Also, the need for liquidity during the withdrawal phase (to pay for certain educational expenses) generally is very important. You should seriously consider the level

of risk you wish to assume, your investment time horizon, and other factors important to you, before you select investment options. Note also that none of the Age-Based Options, the Multi-Fund Individual Portfolios, or Vanguard can offer any assurance that the recommended asset allocations will either maximize returns, minimize risk, or be the appropriate allocation in all circumstances for every investor with a particular time horizon or risk tolerance.

The Age-Based Options

You may choose from the following three Age-Based Options:

- Conservative Age-Based Option
- Moderate Age-Based Option
- Aggressive Age-Based Option

The Age-Based Options are designed to take into account a Beneficiary's age and your investing time horizon—i.e., the number of years before the Beneficiary is expected to attend college or an accredited postsecondary educational institution ("Eligible Educational Institution"). Within the Age-Based Options, you may invest according to your risk tolerance, in a conservative, a moderate, or an aggressive asset allocation. In general, for younger Beneficiaries, the Age-Based Options will be invested in Portfolios more heavily weighted in stocks to capitalize on the longer investment horizon and to try to maximize returns. As time passes, account assets are automatically moved to more conservative Portfolios in an effort to preserve capital as the withdrawal phase approaches. There is no assurance that any Portfolio will be able to achieve its goals.

As the table shows, for any particular age group, the Conservative Age-Based Option usually has a higher concentration of assets in bonds and short-term reserves than does the Moderate Age-Based Option. The same is true for the Moderate Age-Based Option compared with the Aggressive Age-Based Option. Portfolios with higher allocations in bonds and short-term reserves tend to be less volatile than those with higher stock allocations. Less volatile Portfolios generally will not decline as far when stock markets go down, but also generally will not appreciate in value as much when stock markets go up.

For each of the Age-Based Options, the Plan will automatically exchange assets from one Portfolio to another as the Beneficiary ages. The exchange occurs during the month following the month of the Beneficiary's birth date, according to the following schedule:

Age-Based Options

Age of Beneficiary	Conservative Option	Moderate Option	Aggressive Option
Newborn through 5	**Vanguard Moderate Growth Portfolio** 60% Stocks 40% Bonds	**Vanguard Growth Portfolio** 80% Stocks 20% Bonds	**Vanguard Aggressive Growth Portfolio** 100% Stocks
6 through 10	**Vanguard Conservative Growth Portfolio** 60% Bonds 40% Stocks	**Vanguard Moderate Growth Portfolio** 60% Stocks 40% Bonds	**Vanguard Growth Portfolio** 80% Stocks 20% Bonds
11 through 15	**Vanguard Income Portfolio** 80% Bonds 20% Stocks	**Vanguard Conservative Growth Portfolio** 60% Bonds 40% Stocks	**Vanguard Moderate Growth Portfolio** 60% Stocks 40% Bonds
16 through 18	**Vanguard Conservative Income Portfolio** 75% Bonds 25% Short-Term Reserves	**Vanguard Income Portfolio** 80% Bonds 20% Stocks	**Vanguard Conservative Growth Portfolio** 60% Bonds 40% Stocks
19 or older	**Vanguard Interest Accumulation Portfolio** 100% Short-Term Reserves	**Vanguard Conservative Income Portfolio** 75% Bonds 25% Short-Term Reserves	**Vanguard Income Portfolio** 80% Bonds 20% Stocks

Note: A Portfolio's investment in Short-Term Reserves generally includes, but is not limited to, very short-term debt securities such as interest-bearing bank deposits, money market instruments, U.S. Treasury bills, short-term bonds, and funding agreements issued by one or more insurance companies.

The Individual Portfolios

Unlike the Age-Based Options, the Individual Portfolios do not change asset allocations as the Beneficiary ages. Instead, the asset allocation of each Portfolio remains fixed over time.

If you choose to invest in Individual Portfolios that have a significant weighting in stocks, you should consider moving your assets to more conservative Portfolios as your Beneficiary approaches college age. Please note that there are limitations on your ability to move assets from one Portfolio to another. See **Part 7. Other Information About Your Account—Changing Investment Options for Current Balances and Future Contributions**.

The Individual Portfolios consist of seven Multi-Fund Individual Portfolios, which invest in multiple Underlying Funds (the percentages of those investments are detailed in the following table), and seven Single-Fund Individual Portfolios, which invest in a single Underlying Fund.

Multi-Fund Individual Portfolios:

- Vanguard Aggressive Growth Portfolio
- Vanguard Growth Portfolio
- Vanguard Moderate Growth Portfolio
- Vanguard Conservative Growth Portfolio
- Vanguard Income Portfolio
- Vanguard Conservative Income Portfolio
- MOST Diversified Equity Portfolio

Single-Fund Individual Portfolios:

- American Century Growth Portfolio
- American Century Large Company Value Portfolio
- American Century Small Company Portfolio
- American Century Real Estate Portfolio
- American Century International Growth Portfolio
- Vanguard Inflation-Protected Securities Portfolio
- Vanguard Interest Accumulation Portfolio

The following table provides the allocations of the Underlying Funds for each Multi-Fund Individual Portfolio.

Underlying Fund	Vanguard Aggressive Growth Portfolio	Vanguard Growth Portfolio	Vanguard Moderate Growth Portfolio	Vanguard Conservative Growth Portfolio	Vanguard Income Portfolio	Vanguard Conservative Income Portfolio	MOST Diversified Equity Portfolio
Vanguard Institutional Total Stock Market Index Fund	75%	60%	45%	30%	15%	0%	0%
Vanguard Developed Markets Index Fund	25	20	15	10	5	0	20
Vanguard Extended Market Index Fund	0	0	0	0	0	0	16
American Century Growth Fund	0	0	0	0	0	0	30
American Century Large Company Value Fund	0	0	0	0	0	0	30
American Century Real Estate Fund	0	0	0	0	0	0	4
Total Stock	**100%**	**80%**	**60%**	**40%**	**20%**	**0%**	**100%**
Vanguard Total Bond Market II Index Fund	0	20	40	60	80	50	0
Vanguard Inflation-Protected Securities Fund	0	0	0	0	0	25	0
Total Bond	**0%**	**20%**	**40%**	**60%**	**80%**	**75%**	**0%**
Vanguard Short-Term Reserves Account	0	0	0	0	0	25	0
Total Short-Term Reserves	**0%**	**0%**	**0%**	**0%**	**0%**	**25%**	**0%**
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Portfolio Profiles

Requesting Additional Information About the Underlying Funds. Contributions to a Portfolio will be invested in one or more of the Underlying Funds. Please keep in mind that you will not own shares of the Underlying Funds. Instead, you will own interests in a trust created and sponsored by the State of Missouri. Additional information about the investment strategies and risks of each Underlying Fund, except for Vanguard Short-Term Reserves Account, is available in its current prospectus and statement of additional information. Information about the Vanguard Short-Term Reserves Account is found later within this Program Description. You can request a copy of the current prospectus, the statement of additional information, or the most recent semiannual or annual report of any Vanguard Underlying Fund, except for Vanguard Short-Term Reserves Account, by visiting Vanguard's website at **www.vanguard.com** or by calling 888-414-MOST (888-414-6678). Information about Vanguard Total Bond Market II Index Fund can be found on Vanguard's Institutional Investors website. You can obtain additional information on any American Century Underlying Fund by visiting **www.americancentury.com**.

The Target Indexes of Certain of the Underlying Funds May Change. Many of the Underlying Funds are index funds. Each index fund reserves the right to substitute a different index for the index it currently seeks to track. This could happen if the current index is discontinued, if the Underlying Fund's agreement with the sponsor of its current index is terminated, or for any other reason determined in good faith by the Underlying Fund's board of trustees. In any such instance, a substitute index would measure the same market segment as the current index.

Expense Ratio. The Plan charges an expense ratio (annual asset-based fee) to each Portfolio, which includes both administrative and investment management fees. See **Part 4. The Plan Fees and Charges—Expense Ratio (Total Asset-Based Fee)**.

Risk Information. The profiles that follow identify the risks of each Portfolio. An explanation of these risks appears after the profiles.

Vanguard Aggressive Growth Portfolio

Investment Objective

The Portfolio seeks to provide capital appreciation.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Institutional Total Stock Market Index Fund	75%
Vanguard Developed Markets Index Fund	25%

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio indirectly invests in primarily large-capitalization U.S. stocks and, to a lesser extent, mid- and small-capitalization U.S. stocks. The Fund invests in a broadly diversified collection of securities that, in the aggregate, approximates the total market capitalization of all the U.S. common stocks regularly traded on the New York Stock Exchange and the NASDAQ over-the-counter market. Through its investment in Vanguard Developed Markets Index Fund, the Portfolio indirectly invests in international stocks.

Investment Risks

Because it invests entirely in stock funds, the Portfolio primarily is subject to stock market risk. The Portfolio also has low levels of foreign securities risk, index sampling risk, investment style risk, and derivatives risk.

Expense Ratio

The expense ratio for this Portfolio is 0.55%.

Vanguard Growth Portfolio

Investment Objective

The Portfolio seeks to provide capital appreciation and low to moderate current income.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds and one Vanguard bond index fund, resulting in an allocation of 80% of its assets to stocks and 20% of its assets to investment-grade U.S. bonds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Institutional Total Stock Market Index Fund	60%
Vanguard Developed Markets Index Fund	20%
Vanguard Total Bond Market II Index Fund	20%

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio indirectly invests in primarily large-capitalization U.S. stocks and, to a lesser extent, mid- and small-capitalization U.S. stocks. The Fund invests in a broadly diversified collection of securities that, in the aggregate, approximates the total market capitalization of all the U.S. common stocks regularly traded on the New York Stock Exchange and the NASDAQ over-the-counter market. Through its investment in Vanguard Developed Markets Index Fund, the Portfolio indirectly invests in international stocks.

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio also indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Barclays Capital U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Investment Risks

Because it invests mainly in stock funds, the Portfolio primarily is subject to stock market risk. Through its bond fund holding, the

Portfolio has low to moderate levels of interest rate risk, credit risk, income risk, and call/prepayment risk. The Portfolio also has low levels of foreign securities risk, index sampling risk, and derivatives risk.

Expense Ratio

The expense ratio for this Portfolio is 0.55%.

Vanguard Moderate Growth Portfolio

Investment Objective

The Portfolio seeks to provide capital appreciation and current income.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds and one Vanguard bond index fund, resulting in an allocation of 60% of its assets to stocks and 40% of its assets to investment-grade U.S. bonds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Institutional Total Stock Market Index Fund	45%
Vanguard Developed Markets Index Fund	15%
Vanguard Total Bond Market II Index Fund	40%

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio indirectly invests in primarily large-capitalization U.S. stocks and, to a lesser extent, mid- and small-capitalization U.S. stocks. The Fund invests in a broadly diversified collection of securities that, in the aggregate, approximates the total market capitalization of all the U.S. common stocks regularly traded on the New York Stock Exchange and the NASDAQ over-the-counter market. Through its investment in Vanguard Developed Markets Index Fund, the Portfolio indirectly invests in international stocks.

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio also indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Barclays Capital U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Investment Risks

Through its stock fund holdings, the Portfolio is subject to stock market risk. Through its bond fund holding, the Portfolio has low to moderate levels of interest rate risk, credit risk, income risk, and call/prepayment risk. The Portfolio also has low levels of foreign securities risk, index sampling risk, and derivatives risk.

Expense Ratio

The expense ratio for this Portfolio is 0.55%.

Vanguard Conservative Growth Portfolio

Investment Objective

The Portfolio seeks to provide current income and low to moderate capital appreciation.

Investment Strategy

The Portfolio invests in one Vanguard bond index fund and two Vanguard stock index funds, resulting in an allocation of 60% of its assets to investment-grade U.S. bonds and 40% of its assets to stocks. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	60%
Vanguard Institutional Total Stock Market Index Fund	30%
Vanguard Developed Markets Index Fund	10%

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Barclays Capital U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio also indirectly invests in primarily large-capitalization U.S. stocks and, to a lesser extent, mid- and small-capitalization U.S. stocks. The Fund holds a broadly diversified collection of securities that, in the aggregate, approximates the total market capitalization of all the U.S. common stocks regularly traded on the New York Stock Exchange and the NASDAQ over-the-counter market. Through its investment in Vanguard Developed Markets Index Fund, the Portfolio indirectly invests in international stocks.

Investment Risks

Because it invests mainly in a bond fund, the Portfolio primarily is subject to low to moderate levels of interest rate risk, credit risk, income risk, and call/prepayment risk. Through its stock fund holdings, the Portfolio is subject to stock market risk. The Portfolio also has low levels of foreign securities risk, index sampling risk, and derivatives risk.

Expense Ratio

The expense ratio for this Portfolio is 0.55%.

Vanguard Income Portfolio

Investment Objective

The Portfolio seeks to provide current income.

Investment Strategy

The Portfolio invests in one Vanguard bond index fund and two Vanguard stock index funds, resulting in an allocation of 80% of its assets to investment-grade U.S. bonds and 20% of its assets to stocks. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	80%
Vanguard Institutional Total Stock Market Index Fund	15%
Vanguard Developed Markets Index Fund	5%

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Barclays Capital U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio also indirectly invests in primarily large-capitalization U.S. stocks and, to a lesser extent, mid- and small-capitalization U.S. stocks. The Fund holds a broadly diversified collection of securities that, in the aggregate, approximates the total market capitalization of all the U.S. common stocks regularly traded on the New York Stock Exchange and the NASDAQ over-the-counter market. Through its investment in Vanguard Developed Markets Index Fund, the Portfolio indirectly invests in international stocks.

Investment Risks

Because it invests mainly in a bond fund, the Portfolio primarily is subject to low to moderate levels of interest rate risk, credit risk, income risk, and call/prepayment risk. Through its stock fund holdings, the Portfolio is subject to stock market risk. The Portfolio also has low levels of foreign securities risk, index sampling risk, and derivatives risk.

Expense Ratio

The expense ratio for this Portfolio is 0.55%.

Vanguard Conservative Income Portfolio

Investment Objective

The Portfolio seeks to provide current income.

Investment Strategy

The Portfolio invests in two Vanguard bond funds and one Vanguard short-term reserves account, resulting in an allocation of 75% of its assets to investment-grade U.S. bonds and 25% of its assets to short-term investments. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	50%
Vanguard Inflation-Protected Securities Fund	25%
Vanguard Short-Term Reserves Account	25%

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Barclays Capital U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The bond fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Inflation-Protected Securities Fund, the Portfolio indirectly invests in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. The Fund may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in the range of 7 to 20 years. All bonds purchased by the Fund will be rated "investment-grade."

Through its investment in Vanguard Short-Term Reserves Account, the Portfolio indirectly invests in funding agreements issued by one or more insurance companies, as well as shares of Vanguard Prime Money Market Fund. Funding agreements are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. The agreements pay interest at a fixed minimum rate and have fixed maturity dates that normally range from 2 to 5 years. The Vanguard Prime Money Market Fund invests in high-quality, short-term money market instruments, including certificates of deposit, banker's acceptances, commercial paper, and other money market securities. For more information about the Vanguard Short-Term Reserves Account, please see the Vanguard Interest Accumulation Portfolio profile.

Note: Vanguard Short-Term Reserves Account's investments in Vanguard Prime Money Market Fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Vanguard Prime Money Market Fund seeks to preserve the value of the investment at $1 per share, it is possible that the Vanguard Short-Term Reserves Account may lose money by investing in the Fund.

Investment Risks

Because it invests mainly in bond funds, the Portfolio primarily is subject to low to moderate levels of interest rate risk, credit risk, income risk, call/prepayment risk, and income-fluctuation risk. The Portfolio also has low levels of manager risk, index sampling risk, industry concentration risk, and derivatives risk.

Expense Ratio

The expense ratio for this Portfolio is 0.55%.

Vanguard Interest Accumulation Portfolio

Investment Objective

The Portfolio seeks income consistent with the preservation of principal.

Investment Strategy

The Portfolio directs all of its assets into Vanguard Short-Term Reserves Account, through which the Portfolio indirectly invests in funding agreements issued by one or more insurance companies, as well as shares of Vanguard Prime Money Market Fund. Funding agreements are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. Funding agreements generally pay interest at a fixed minimum rate and have fixed maturity dates that normally range from 2 to 5 years.

Investments in new funding agreements are based upon available liquidity in the Portfolio and the competitiveness of the interest rates offered by eligible high-quality issuers, based on market conditions and trends. To be considered high-quality, a security generally must be rated in one of the two highest credit-quality categories by at least two nationally recognized rating services (or by one, if only one rating service has rated the security). If unrated, the security must be determined by Vanguard to be of quality equivalent to securities in the two highest credit-quality categories for short-term securities. After a funding agreement is purchased, additional cash contributions will be used to purchase shares of the Vanguard Prime Money Market Fund until there is enough cash to purchase another funding agreement. There is a limited universe of high-quality insurance companies and other issuers that issue investments eligible for purchase by the Vanguard Short-Term Reserves Account. Within this constraint, Vanguard seeks to diversify among eligible issuers and investments. If necessary, the Vanguard Short-Term Reserves Account may invest all or a large portion of its assets in Vanguard Prime Money Market Fund to limit its exposure to any single issuer or to meet normal liquidity needs.

The Vanguard Prime Money Market Fund invests in high-quality, short-term money market instruments, including certificates of deposit, banker's acceptances, commercial paper, and other money market securities. The Vanguard Prime Money Market Fund invests more than 25% of its assets in securities issued by companies in the financial services industry and maintains a dollar-weighted average maturity of 90 days or less.

The Portfolio has a longer average maturity than most money market funds, which should result in higher yields when interest rates are stable or declining. However, because only a portion of the Portfolio's investment matures each year, its yield will change more slowly than that of a money market fund. As a result, when interest rates are rising, the Portfolio's yield may fall below money market funds' yields for an extended time period.

Note: Vanguard Conservative Income Portfolio and Vanguard Interest Accumulation Portfolio both invest in Vanguard Short-Term Reserves Account, which, in turn, invests in Vanguard Prime Money Market Fund. Vanguard Short-Term Reserves Account's investment in Vanguard Prime Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Vanguard Prime Money Market Fund seeks to preserve the value of the investment at $1 per share, it is possible that Vanguard Short-Term Reserves Account may lose money by investing in the Fund.

Investment Risks

The Portfolio primarily is subject to credit risk. To the extent the Portfolio is invested in money market fund instruments, it also has low levels of income risk, manager risk, industry concentration risk, and derivatives risk.

Funding agreements are backed by the financial strength of the insurance companies that issue the contracts. Every effort is made to select high-quality insurance companies. However, the Portfolio may lose value if an insurance company is unable to make interest or principal payments when due.

Expense Ratio

The expense ratio for this Portfolio is 0.55%.

MOST Diversified Equity Portfolio

Investment Objective

The Portfolio seeks to provide capital appreciation.

Investment Strategy

The Portfolio invests in two Vanguard stock funds and three American Century stock funds. The portfolio invests its assets exclusively in equities. Combined, actively managed stock funds constitute 64% of the portfolio's assets, with passively managed index funds accounting for the remainder. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Developed Markets Index Fund	20%
Vanguard Extended Market Index Fund	16%
American Century Growth Fund	30%
American Century Large Company Value Fund	30%
American Century Real Estate Fund	4%

These funds primarily comprise large- and mid-capitalization stocks. The portfolio is split roughly 80/20 between domestic and international stocks, respectively.

Investment Risks

Because it invests entirely in stock funds, the Portfolio primarily is subject to stock market risk. The Portfolio also has foreign securities risk, index sampling risk, and derivatives risk. Through its investment in the American Century Real Estate Fund, the Portfolio is also subject to low levels of interest rate risk and industry concentration risk. The Portfolio also will encounter risks from investment style and management of the Underlying Funds.

Expense Ratio

The expense ratio for this Portfolio is 0.87%.

American Century Growth Portfolio

Investment Objective

The Portfolio seeks long-term capital growth.

Investment Strategy

The Portfolio invests 100% of its assets in one American Century stock fund, the American Century Growth Fund.

The Portfolio is designed for investors seeking capital growth and who are comfortable with short-term price volatility associated with investing in common stocks. The Underlying Fund measures its performance against the Russell 1000 Growth Index. The portfolio managers for the Underlying Fund look for stocks they believe will increase in value over time, using investment strategies developed by American Century. In implementing this strategy, the portfolio managers make their investment decisions based primarily on their analysis of individual companies, rather than on broad economic forecasts. Management of the Underlying Fund is based on the belief that, over the long term, stock price movements follow growth in earnings, revenues, and/or cash flow.

Under normal market conditions, the Fund's portfolio will primarily consist of securities of companies demonstrating business improvement. Analytical indicators helping to identify signs of business improvement could include accelerating earnings or revenue growth rates, increasing cash flows, or other indications of the relative strength of a company's business. These techniques help the portfolio managers buy or hold the stocks of companies they believe have favorable growth prospects and sell the stocks of companies whose characteristics no longer meet their criteria. The portfolio managers use a variety of analytical research tools and techniques to identify stocks of large-sized companies that meet their investment criteria. Under normal market conditions, the Portfolio will primarily consist of securities of companies whose earnings or revenues are not only growing, but growing at an accelerating pace.

Investment Risks

Because it invests entirely in a stock fund, the Portfolio primarily is subject to stock market risk. The Portfolio also has investment style risk, foreign securities risk, and a low level of derivatives risk.

Expense Ratio

The expense ratio for this Portfolio is 1.23%.

American Century Large Company Value Portfolio

Investment Objective

The Portfolio seeks long-term capital growth, with income as a secondary objective.

Investment Strategy

The Portfolio invests 100% of its assets in one American Century stock fund, the American Century Large Company Value Fund.

The Underlying Fund's benchmarks are the S&P 500 Index and the Russell 1000 Value Index. The S&P 500 Index is a broad measure of U.S. stock performance. The Russell 1000 Value Index measures the performance of those Russell 1000 companies (the 1,000 largest of the 3,000 largest publicly traded U.S. companies, based on total market capitalization) with lower price-to-book ratios and lower forecasted growth rates.

In selecting stocks for the Underlying Fund, the portfolio managers look for companies whose stock prices may not adequately reflect the company's value. The managers attempt to purchase stocks of these undervalued companies and hold each stock until the price has increased to, or is higher than, a level the managers believe more accurately reflects the fair value of the company.

The Underlying Fund invests primarily in larger companies. Under normal market conditions, the Underlying Fund will have at least 80% of its assets in equity securities of companies comprising the Russell 1000 Index.

Investment Risks

The Portfolio's principal risks include stock market risk, investment style risk, and foreign securities risk.

Expense Ratio

The expense ratio for this Portfolio is 1.06%.

American Century Small Company Portfolio

Investment Objective

The Portfolio seeks long-term capital growth by investing primarily in common stocks of small companies.

Investment Strategy

The Portfolio invests 100% of its assets in one American Century stock fund, the American Century Small Company Fund.

Under normal market conditions, the Underlying Fund invests at least 80% of its assets in stocks of small companies. The managers consider small companies to be those that, at the time of investment, have market capitalization not greater than that of the largest company in the S&P SmallCap 600 Index.

The Underlying Fund's investment strategy utilizes quantitative management techniques in a two-step process. In the first step, the portfolio managers rank stocks, primarily smaller U.S. companies, using a quantitative model that combines measures of a stock's value, as well as measures of its growth potential. In the second step, the managers use a technique called portfolio optimization to build a portfolio of stocks from the ranking described above that they believe will provide the optimal balance between risk and expected return.

Investment Risks

The Portfolio's principal risks include stock market risk, investment style risk, and manager risk.

Expense Ratio

The expense ratio for this Portfolio is 1.08%.

American Century Real Estate Portfolio

Investment Objective

The Portfolio seeks high total investment return through a combination of capital appreciation and current income.

Investment Strategy

The Portfolio invests 100% of its assets in one American Century stock fund, the American Century Real Estate Fund.

The Underlying Fund is designed for investors who can tolerate high share-price fluctuations. The Underlying Fund measures its performance against the MSCI US REIT Index.

The Underlying Fund invests in equity securities of real estate investment trusts (REITs) and companies engaged in the real estate industry. The portfolio managers look for real estate securities they believe will provide superior returns to the Underlying Fund, focusing on companies with the potential for stock appreciation, plus strong growth of cash flow to investors.

Investment Risks

The Portfolio primarily is subject to interest rate risk, credit risk, stock market risk, investment style risk, industry concentration risk, and foreign securities risk.

Expense Ratio

The expense ratio for this Portfolio is 1.33%.

American Century International Growth Portfolio

Investment Objective

The Portfolio seeks long-term capital growth.

Investment Strategy

The Portfolio invests 100% of its assets in one American Century stock fund, the American Century International Growth Fund.

The Portfolio is designed for investors seeking capital growth and who can tolerate a high level of share-price fluctuations. The benchmarks the Portfolio measures its performance against are the MSCI EAFE Index and the MSCI EAFE Growth Index.

The Underlying Fund invests primarily in securities of companies located in at least three developed countries worldwide (excluding the United States). The portfolio managers for the Underlying Fund look for stocks of foreign companies they believe will increase in value over time, using an investment strategy developed by American Century. In implementing this strategy, the portfolio managers make their investment decisions based primarily on their analysis of individual companies, rather than on broad economic forecasts. Management of the Underlying Fund is based on the belief that, over the long term, stock price movements follow growth in earnings, revenues, and/or cash flow.

The portfolio managers use a variety of analytical research tools and techniques to identify companies that meet their investment criteria. Under normal market conditions, the Underlying Fund's portfolio will primarily consist of securities of companies whose earnings or revenues are not only growing, but growing at an accelerating pace.

Investment Risks

The Portfolio primarily is subject to stock market risk, foreign securities risk (including currency risk), political instability risk (including social and economic events such as labor strikes and rising inflation), and investment style risk.

Expense Ratio

The expense ratio for this Portfolio is 1.58%.

Vanguard Inflation-Protected Securities Portfolio

Investment Objective

The Portfolio seeks to provide inflation protection and income consistent with investment in inflation-indexed securities.

Note: The Vanguard Inflation-Protected Securities Portfolio seeks to provide protection from inflation as measured by the Consumer Price Index. It is possible that the costs of higher education may increase at a rate that exceeds the rate of increase of the Consumer Price Index. There is no guarantee that the Portfolio will protect investors from the rising costs of higher education.

Investment Strategy

The Portfolio invests 100% of its assets in Vanguard Inflation-Protected Securities Fund, which invests at least 80% of its assets in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. The Fund may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in a range of 7 to 20 years. At a minimum, all bonds purchased by the Fund will be rated "investment-grade." However, unlike a conventional bond, whose issuer makes regular fixed interest payments and repays the face value of the bonds at maturity, an inflation-indexed security provides principal and interest payments that are adjusted over time to reflect a rise (inflation) or a drop (deflation) in the general price level for goods and services. In the event of sustained deflation, or a drop in prices, the U.S. Treasury has guaranteed that it would repay at least the original face value of an inflation-indexed security issued by the government.

Investment Risks

The Portfolio primarily is subject to income fluctuation risk. The Portfolio has low to moderate levels of interest rate risk and manager risk, and a low level of derivatives risk.

Expense Ratio

The expense ratio for this Portfolio is 0.55%.

Underlying Fund Summaries

Each Portfolio invests in one or more Underlying Funds. This section describes the investment strategies of the Underlying Funds.

Vanguard Institutional Total Stock Market Index Fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market. The Fund employs a "passive management"—or indexing—investment approach designed to track the performance of the MSCI US Broad Market

Index, which represents 99.5% or more of the total market capitalization of all the U.S. common stocks regularly traded on the New York Stock Exchange and the NASDAQ over-the-counter market. The Fund typically holds 1,200-1,300 of the stocks in its target index (covering nearly 95% of the index's total market capitalization) and a representative sample of the remaining stocks. The Fund holds a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

Vanguard Developed Markets Index Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in the major markets of Europe and the Pacific region. The Fund employs a "passive management"—or indexing—investment approach by investing all, or substantially all, of its assets in the common stocks included in the MSCI EAFE Index. The MSCI EAFE Index includes approximately 960 common stocks of companies located in Europe, Australia, Asia, and the Far East.

Vanguard Extended Market Index Fund seeks to track the performance of a benchmark index that measures the investment return of small- and mid-capitalization stocks. The Fund employs a "passive management"—or index—investment approach designed to track the performance of the Standard & Poor's Completion Index, a broadly diversified index of stocks of small and medium-size U.S. companies. The Index contains all of the U.S. common stocks regularly traded on the New York Stock Exchange and the NASDAQ over-the-counter market, except those stocks included in the S&P 500 Index. The Fund invests all, or substantially all, of its assets in stocks of its target Index, with nearly 80% of its assets invested in 1,200 stocks in its target Index (covering nearly 80% of the Index's total market capitalization), and the rest of its assets in a representative sample of the remaining stocks. The Fund holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

Vanguard Total Bond Market II Index Fund seeks to track the performance of a broad, market-weighted bond index. The Fund employs a "passive management"—or index—investment approach designed to track the performance of the Barclays Capital U.S. Aggregate Float Adjusted Index. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Vanguard Inflation-Protected Securities Fund seeks to provide inflation protection and income consistent with investment in inflation-indexed securities. Vanguard Inflation-Protected Securities Fund invests at least 80% of its assets in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. The Fund may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in the range of 7 to 20 years. At a minimum, all bonds purchased by the Fund will be rated investment-grade. Unlike a conventional bond, whose issuer makes regular fixed interest payments and repays the face value of the bond at maturity, an inflation-indexed security provides principal and interest payments that are adjusted over time to reflect a rise (inflation) or a drop (deflation) in the general price level for goods and services. In the event of deflation, the U.S. Treasury has guaranteed that it will repay at least the face value of an inflation-indexed security issued by the U.S. government.

Note: Vanguard Inflation-Protected Securities Fund seeks to provide protection from inflation (i.e., a rise in the general price level for goods and services) as measured by the Consumer Price Index. It is possible that the costs of higher education may increase at a rate that exceeds the rate of increase of the Consumer Price Index. There is no guarantee that the Fund will protect investors from the rising costs of higher education.

Vanguard Prime Money Market Fund seeks to provide current income while maintaining liquidity and a stable share price of $1, by investing primarily in high-quality, short-term money market instruments, including certificates of deposit, banker's acceptances, commercial paper, and other money market securities. To be considered high-quality, a security generally must be rated in one of the two highest credit-quality categories for short-term securities by at least two nationally recognized rating services (or by one, if only one rating service has rated the security). If unrated, the security must be determined by Vanguard to be of quality equivalent to securities in the two highest credit-quality categories. The Fund invests more than 25% of its assets in securities issued by companies in the financial services industry. The Fund maintains a dollar-weighted average maturity of 90 days or less.

Note: The Vanguard Conservative Income Portfolio's and Vanguard Money Market Portfolio's investment in the Vanguard Prime Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of the investment at $1 per share, it is possible that the Portfolios may lose money by investing in the Fund.

American Century Growth Fund seeks long-term capital growth. The Fund managers look for stocks of companies they believe will increase in value over time using a strategy that emphasizes analysis of individual companies, rather than broad economic forecasts. Management of the Fund is based on the belief that, over the long term, stock price movements follow growth in earnings,

revenues and/or cash flow. Under normal market conditions, the Fund's portfolio will primarily consist of securities of companies demonstrating business improvement. Analytical indicators helping to identify signs of business improvement could include accelerating earnings or revenue growth rates, increasing cash flows, or other indications of the relative strength of a company's business.

American Century Large Company Value Fund seeks long-term capital growth with the production of income as a secondary objective. The Fund invests primarily in larger companies. Under normal market conditions, the Fund managers will invest at least 80% of the Fund's assets in equity securities of companies comprising the Russell 1000 Index. In selecting stocks for the Portfolio, the managers look for companies whose stock price may not adequately reflect the company's value. The managers attempt to purchase the stocks of these undervalued companies and hold each stock until the price has increased to, or is higher than, a level the managers believe more accurately reflects the fair value of the company. Companies may be undervalued because of market declines, poor economic conditions, actual or anticipated bad news regarding the issuer or its industry, or because they have been overlooked by the market. To identify these companies, the Fund managers look for companies with earnings, cash flows, and/or assets that may not be reflected accurately in the companies' stock prices.

American Century Small Company Fund seeks long-term capital growth by investing primarily in common stocks of small companies. Under normal market conditions, the Fund will invest at least 80% of its assets in stocks of smaller-capitalization U.S. companies. The Fund managers consider small companies to be those that, at the time of investment, have market capitalization not greater than that of the largest company in the S&P SmallCap 600 Index. The Fund's investment strategy utilizes quantitative management techniques in a two-step process. In the first step, the Fund managers rank stocks from most attractive to least attractive using a quantitative model that combines measures of a stock's value and growth potential. In the second step, the Fund managers use a technique called portfolio optimization to build a portfolio of stocks that they believe will provide the optimal balance between risk and expected return.

American Century Real Estate Fund seeks high total investment return through a combination of capital appreciation and current income. Under normal market conditions, the Fund invests at least 80% of its assets in equity securities issued by real estate investment trusts and companies engaged in the real estate industry. The Fund managers look for real estate securities they believe will provide superior returns, focusing on companies with the potential for stock price appreciation, plus sustainable growth of cash flow to investors. The Fund managers use a disciplined investment process to manage the Fund, focusing on stock selection rather than sector or theme bets. The Fund management process relies on a continuous screen of the target universe of investments to identify companies exhibiting financial strength, and operating returns and growth prospects that are attractively priced at any given time. The Fund manager uses the following investment techniques to help construct the Portfolio: 1) macro economic research, 2) allocation among securities with exposure to different segments of the real estate market, 3) bottom-up fundamental stock research, and 4) benchmark-sensitive portfolio construction.

American Century International Growth Fund seeks long-term capital growth. The Fund invests primarily in securities of companies located in at least three developed countries worldwide (excluding the United States). The Fund managers look for stocks of companies they believe will increase in value over time, using an investment strategy that emphasizes the analysis of individual companies, rather than broad economic forecasts. Management of the Fund is based on the belief that, over the long term, stock price movements follow growth in earnings, revenues and/or cash flow. Under normal market conditions, the Fund's Portfolio will primarily consist of securities of companies whose earnings or revenues are not only growing, but growing at an accelerating pace.

Explanation of the Risk Factors of the Portfolios

Call/Prepayment Risk. This is the risk that during periods of falling interest rates, issuers of callable bonds may call (repay) securities with higher coupons or interest rates before their maturity dates. The Underlying Fund would lose potential price appreciation and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Underlying Fund's income. For mortgage-backed securities, this risk is known as prepayment risk.

Credit Risk. This is the risk that an issuer of a bond owned by an Underlying Fund or a funding agreement issued to an Underlying Fund will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond or funding agreement to decline.

Derivatives Risk. Each of the Underlying Funds may invest, to a limited extent, in derivatives. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency), a physical asset (such as gold), or a market index (such as the S&P 500 Index). Investments in derivatives may subject the Underlying Funds to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes. The Underlying Funds will not use derivatives for speculation or for the purpose of leveraging (magnifying) investment returns.

Foreign Securities Risk. Underlying Funds that invest in foreign securities are subject to country risk, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. The underlying investments are also subject to currency risk, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. In addition, investments in foreign stock markets can be riskier than U.S. stock investments. The prices of foreign

stocks and the prices of U.S. stocks have, at times, moved in opposite directions.

Income Fluctuation Risk. This is the risk that an Underlying Fund's quarterly income distributions will fluctuate considerably more than the income distributions of a typical bond fund. For Vanguard Inflation-Protected Securities Fund, income fluctuations associated with changes in interest rates are expected to be low; however, income fluctuations associated with changes in inflation rates are expected to be high.

Income Risk. This is the risk that falling interest rates will cause an Underlying Fund's income to decline. Income risk is generally high for short-term bond funds, moderate for intermediate-term bond funds, and low for long-term bond funds.

Index Sampling Risk. This is the risk that the securities selected for an Underlying Fund using the sampling method of indexing will not provide investment performance matching that of the target index.

Industry Concentration Risk. This is the risk that there will be overall problems affecting a particular industry in which an Underlying Fund invests more than 25% of its assets. Because the Vanguard Income and Vanguard Interest Accumulation Portfolios indirectly invests in Vanguard Prime Money Market Fund, which invests more than 25% of its assets in securities of companies in the financial services industry, the Portfolios' performance will depend to a greater extent on the overall condition of that industry. Because the American Century Real Estate Portfolio invests heavily in the real estate industry, through investment in the American Century Real Estate Fund, the Portfolio could be hurt by price volatility in the industry, property values, property tax increases, overbuilding and increased competition, environmental contamination, zoning, and natural disasters.

Interest Rate Risk. This is the risk that bond prices overall will decline because of rising interest rates. Interest rate risk should be low for short-term bond funds, moderate for intermediate-term bond funds, and high for long-term bond funds.

Investment Style Risk. This is the chance that returns from the types of stocks in which an Underlying Fund invests will trail returns from the overall stock market or will be more volatile than the overall stock market. Specific types of stocks (for instance, value or growth stocks, small- or large-capitalization stocks) tend to go through cycles of doing better—or worse—than the stock market in general. These periods have, in the past, lasted for as long as several years.

Manager Risk. This is the risk that poor security selection will cause an Underlying Fund to underperform relevant benchmarks or other funds with a similar investment objective.

Political Instability Risk. This is the risk that unforeseen political events such as civil unrest, labor strikes, national elections, and the imposition of exchange controls may cause an Underlying Fund's foreign investments, especially those located in emerging market countries, to be more volatile.

Stock Market Risk. This is the risk that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of mid- and small-cap stocks often fluctuate more than those of large-cap stocks. In addition, an Underlying Fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies. An Underlying Fund's investments in foreign stock markets can be riskier than U.S. stock investments. The prices of foreign stocks and the prices of U.S. stocks have, at times moved in opposite directions.

Performance

The table on the next page shows the performance of the Portfolios since inception. The performance data include each Portfolio's asset-based fee. **The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' Portfolio Units, when sold, may be worth more or less than their original cost. For performance data current to the most recent month-end, which may be higher or lower than that cited, visit our website at www.missourimost.org.**

The performance of the Portfolios will differ from the performance of the Underlying Funds. Because the Portfolios have higher expense ratios than the Underlying Funds, over comparable periods of time, all other things being equal, a Portfolio would have lower performance than its comparable Underlying Fund. (Of course, the Underlying Funds do not offer the same tax advantages as the Portfolios.) Performance differences also are caused by differences in the trade dates of Portfolio purchases. When you invest money in a Portfolio, you will receive Portfolio Units as of the trade date noted in **Part 7. Other Information About Your Account—Pricing of Portfolio Units**. The Portfolio will use your money to purchase shares of an Underlying Fund. However, the trade date for the Portfolio's purchase of Underlying Fund shares typically will be one business day after the trade date for your purchase of Portfolio Units. Depending on the amount of cash flow into or out of the Portfolio and whether the Underlying Fund is going up or down in value, this timing difference will cause the Portfolio's performance either to trail or exceed the Underlying Fund's performance.

Portfolio	Inception Date	Average Annual Total Returns as of May 31, 2010 1 Year	3 Years	Since Inception*
Vanguard Aggressive Growth Portfolio	6/2/2006	18.17%	−9.60%	−2.85%
Vanguard Growth Portfolio	6/2/2006	16.19	−6.22	−0.79
Vanguard Moderate Growth Portfolio	6/2/2006	14.29	−2.85	1.18
Vanguard Conservative Growth Portfolio	6/2/2006	12.31	0.30	2.92
Vanguard Income Portfolio	6/2/2006	10.03	3.36	4.58
Vanguard Conservative Income Portfolio	6/2/2006	6.14	5.46	5.28
Vanguard Interest Accumulation Portfolio	6/2/2006	1.25	2.82	3.29
MOST Diversified Equity Portfolio	6/2/2006	19.63	−9.03	−2.39
American Century Growth Portfolio	6/2/2006	21.22	−3.60	1.40
American Century Large Company Value Portfolio	6/2/2006	16.22	−12.65	−4.93
American Century Small Company Portfolio	7/24/2009	—	—	19.80
American Century Real Estate Portfolio	6/2/2006	54.44	−13.52	−4.93
American Century International Growth Portfolio	6/2/2006	9.72	−11.32	−3.45
Vanguard Inflation-Protected Securities Portfolio	6/2/2006	7.95	6.20	5.43

*Since inception returns for less than one year are not annualized.

Part 4. The Plan Fees and Charges

The Board, in its sole discretion, will establish, and may change at any time, the fees and charges it deems appropriate for the Plan. In the future, the Plan's fees and charges could be higher or lower than those discussed in this Program Description.

Expense Ratio (Total Asset-Based Fee)

The Plan charges an expense ratio (annual asset-based fee) that includes both administrative and investment management fees. Vanguard, Upromise, and the Board have agreed to a specific formula for the allocation among the parties of the asset-based fee. As of May 31, 2010, the Plan's assets were $1,303,355,969. Under the asset-based fee, each account also indirectly bears its pro rata share of the annual fees and expenses associated with the Underlying Funds in which each Portfolio held by the account invests. The asset-based fee is charged daily against the assets of each Portfolio at an annualized rate approximately equal to the expense ratio identified in the Portfolio Profiles in **Part 3. The Plan Investment Options—Portfolio Profiles**. The expense ratio of a Portfolio, and that of an Underlying Fund, may change.

Portfolio	Investment Services Fee*	State Fee**	Plan Management Fee	Total Annual Asset-Based Fee***
Vanguard Aggressive Growth Portfolio	0.05%	None	0.50%	0.55%
Vanguard Growth Portfolio	0.05	None	0.50	0.55
Vanguard Moderate Growth Portfolio	0.06	None	0.49	0.55
Vanguard Conservative Growth Portfolio	0.06	None	0.49	0.55
Vanguard Income Portfolio	0.07	None	0.48	0.55
Vanguard Conservative Income Portfolio	0.09	None	0.46	0.55
Vanguard Interest Accumulation Portfolio	0.07***	None	0.48	0.55
MOST Diversified Equity Portfolio	0.64	None	0.23	0.87
American Century Growth Portfolio	1.00	None	0.23	1.23
American Century Large Company Value Portfolio	0.83	None	0.23	1.06
American Century Small Company Portfolio	0.90	None	0.18	1.08
American Century Real Estate Portfolio	1.15	None	0.18	1.33
American Century International Growth Portfolio	1.40	None	0.18	1.58
Vanguard Inflation-Protected Securities Portfolio	0.09	None	0.46	0.55

*The Investment Services Fee is inclusive of Underlying Fund expenses. Underlying Fund expenses include investment advisory fees, administrative, and other expenses, which are paid to Vanguard or American Century, as applicable. As of March 31, 2010.
**Account Owners are not charged a State Fee.
***Total annual asset-based fee as of July 1, 2010.

Other Charges

The Plan reserves the right to charge an account in any circumstance in which the Plan incurs expenses on behalf of the account (e.g., when a check, automatic investment plan [AIP] payment, or electronic bank transfer [EBT] is returned unpaid by the financial institution upon which it is drawn). The Plan may deduct the charges identified in this paragraph directly from your Plan account. If you request delivery of withdrawal proceeds or any other item by express delivery service, the Plan may charge you for this service.

Transaction	Charge Amount*
Returned check	$30
Rejected AIP payment	$30
Rejected EBT	$30
Overnight delivery	$15 weekday $25 Saturday
Outgoing wires	$ 5
Reissue of disbursement checks	$15
Request for historical statement	$10 per yearly statement $30 maximum per household per year

*Subject to change without prior notice.

Portfolio	1 year	3 years	5 years	10 years
Vanguard Aggressive Growth Portfolio	$56.22	$176.29	$307.28	$689.28
Vanguard Growth Portfolio	56.22	176.29	307.28	689.28
Vanguard Moderate Growth Portfolio	56.22	176.29	307.28	689.28
Vanguard Conservative Growth Portfolio	56.22	176.29	307.28	689.28
Vanguard Income Portfolio	56.22	176.29	307.28	689.28
Vanguard Conservative Income Portfolio	56.22	176.29	307.28	689.28
Vanguard Interest Accumulation Portfolio	56.22	176.29	307.28	689.28
MOST Diversified Equity Portfolio	88.80	277.54	482.20	1,072.55
American Century Growth Portfolio	125.32	390.31	675.65	1,488.64
American Century Large Company Value Portfolio	108.09	337.21	584.74	1,294.11
American Century Small Company Portfolio	110.12	343.47	595.48	1,317.18
American Century Real Estate Portfolio	135.44	421.42	728.77	1,601.45
American Century International Growth Portfolio	160.70	498.78	860.38	1,878.30
Vanguard Inflation-Protected Securities Portfolio	56.22	176.29	307.28	689.28

Investment Cost Example

The above example is intended to help you compare the cost of investing in the Portfolios over different time periods. It illustrates the hypothetical expenses that you would incur over various periods if you invest $10,000 in a Portfolio. This example assumes that a Portfolio provides a return of 5% a year, and that the Portfolio's expense ratio (total annual asset-based fee) remains the same as shown in the table on page 19. The results apply whether or not the investment is redeemed at the end of the period, but they do not take into account any redemptions that are Nonqualified (defined in **Part 7. Other Information About Your Account—Withdrawals**) or otherwise subject to state or federal income taxes, or any penalties.

Part 5. Risks of Investing in the Plan

Investing in the Plan involves certain risks, including the possibility that you may lose money over short or even long periods.
In addition to the investment risks of the Portfolios, described in **Part 3**, there are certain risks relating to the Plan generally. These risks are described below.

No Guarantee of Principal or Earnings; No Insurance

The value of your account may increase or decrease over time based on the performance of the Portfolio(s) you select. It is possible that, at any given time, your account's value may be less than the total amount contributed. Neither the Plan nor any of its Associated Persons makes any guarantee of, or has any legal obligations to ensure, a particular level of investment return. An investment in the Plan is not a bank deposit, and it is not insured or guaranteed by the federal government, the FDIC, or any other government agency.

Limited Investment Direction

An Account Owner or contributor may not direct the underlying investments of a Portfolio. The ongoing money management is the responsibility of the Board, Upromise, Vanguard, and American Century.

Limited Liquidity

Investments in a 529 plan, such as the Plan, are considered less liquid than other types of investments (for example, investments in mutual fund shares), because the circumstances in which you may withdraw money from a 529 plan account without a penalty or adverse tax consequences are significantly more limited.

Potential Changes to the Plan

The Board reserves the right, in its sole discretion, to discontinue the Plan or to change any aspect of the Plan. For example, the Board may change the Plan's fees and charges; add, subtract, or merge Portfolios; close a Portfolio to new investors; or change the Underlying Fund(s) of a Portfolio. Depending on the nature of the change, Account Owners may be required to participate in, or be prohibited from participating in, the change with respect to accounts established before the change. Upromise may not necessarily continue as Program Manager, and Vanguard and American Century may not necessarily continue as Investment Managers indefinitely.

Change in Status of Federal and State Law and Regulations Governing the Plan

Federal and state law and regulations governing the administration of 529 plans could change in the future. In addition, federal and state laws on related matters, such as the funding of higher-education expenses, treatment of financial aid, and tax rules, are subject to frequent change. It is unknown what effect these kinds

of changes could have on an account. You should also consider the potential impact of any other state laws on your account. Consult your tax advisor for more information.

No Indemnification

Neither the Program Trust, Upromise, Vanguard, nor American Century will indemnify any Account Owner or Beneficiary against losses or other claims arising from the official or unofficial acts, negligent or otherwise, of Board members or state employees.

Eligibility for Financial Aid

Being the owner or beneficiary of a 529 plan account may adversely affect one's eligibility for financial aid.

- In making decisions about eligibility for financial aid programs offered by the U.S. government and the amount of such aid required, the U.S. Department of Education takes into consideration a variety of factors, including the assets owned by the student (i.e., the beneficiary) and the assets owned by the student's parents. The Department generally expects the student to spend a substantially larger portion of his or her own assets on educational expenses than the parents. Beginning with the 2009/2010 school year, available balances in a 529 plan account will be treated as an asset of (a) the student if the student is not a dependent; or (b) the parent if the student is treated as a dependent, regardless of whether the owner of the 529 plan account is the student or the parent. Assets in an UGMA 529 plan account are treated as student assets.
- With respect to financial aid programs offered by educational institutions and other nonfederal sources, the effect of being the owner or beneficiary of a 529 plan account varies from institution to institution. Accordingly, no generalizations can be made about the effect of being the owner or beneficiary of a 529 plan account on the student's eligibility for financial aid, or the amount of aid the student may qualify for, from such sources. The federal and nonfederal financial aid program treatments of assets in a 529 plan are subject to change at any time. You should therefore check and periodically monitor the applicable laws and other official guidance, as well as particular program and institutional rules and requirements, to determine the impact of 529 plan assets on eligibility under particular financial aid programs. Contributions and earnings from Plan assets shall not be considered income for purposes of determining an Account Owner's eligibility for financial assistance under any Missouri student aid program.

No Guarantee That Investments Will Cover Education-Related Expenses

There is no guarantee that the money in your account will be sufficient to cover all of a Beneficiary's higher-education expenses, even if contributions are made in the maximum allowable amount for the Beneficiary. The future rate of increase in higher-education expenses is uncertain and could exceed the rate of investment return earned by any or all of the Portfolios over any relevant period of time.

Education Savings and Investment Alternatives

In addition to the Plan, there are many other qualified tuition programs, including programs designed to provide prepaid tuition and certain other educational expenses, as well as other education savings and investment alternatives. These alternative programs may offer different investment vehicles and may result in different tax and other consequences. They may have different eligibility requirements and other features, as well as fees and expenses that may be more or less than those charged by the Plan. You should consider other investment alternatives before establishing an account in the Plan.

Medicaid and Other Federal and State Benefits

The effect of an account on eligibility for Medicaid or other state and federal benefits is uncertain. It is possible that an account in the Plan will be viewed as a "countable resource" in determining an individual's financial eligibility for Medicaid. Withdrawals from an account during certain periods also may have the effect of delaying the disbursement of Medicaid payments. You should consult a qualified advisor to determine how a 529 plan account may affect eligibility for Medicaid or other state and federal benefits.

No Guarantee of Admittance

Participation in the Plan does not guarantee or otherwise provide a commitment that the Beneficiary will be admitted to, be allowed to continue to attend, or receive a degree from any educational institution. Participation in the Plan also does not guarantee that a Beneficiary will be treated as a resident of any state for tuition or any other purpose.

Part 6. Information About the Plan and Upromise

The Plan

The Plan is administered by the Board and is authorized by Sections 166.400 through 166.456 of the Missouri Revised Statutes (the "Statute") to apply to tax years beginning on or after January 1, 1999. The Program Trust, established as an investing vehicle for higher-education expenses, is designed to qualify for treatment as a qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations and other guidance issued thereunder ("Section 529"). The Statute authorized the creation of the Program Trust to hold all of the assets of the Plan. The Plan is administered by the Board, which is chaired by the Missouri State Treasurer. The Board also acts as trustee of the Program Trust. Upromise serves as Program Manager and provides management, administration, recordkeeping, and transfer agency services for the Plan. Upromise, through its affiliate, offers the Upromise service (described in the following section) and is in the business of providing program management and administrative services to qualified tuition programs. Vanguard and American Century provide investment management for the mutual funds or separate accounts held in each investment Portfolio. Vanguard also provides distribution, marketing, and customer services.

Upromise Service

The Plan makes saving for college even easier with Upromise, a free rewards service that lets members get back a percentage of their qualified spending with hundreds of America's leading companies as college savings. Once you enroll in the Plan, your Upromise account and your Plan account can be linked so that your rebate dollars are automatically transferred to your 529 account on a periodic basis. The minimum amount for an automatic transfer from a Upromise account to an account in the Plan is $25.

The Upromise service is offered by Upromise, Inc., an affiliate of the Program Manager. This Program Description provides information concerning the Plan but is not intended to provide detailed information concerning the Upromise service. The Upromise service is administered in accordance with the terms and procedures set forth in the Upromise Member Agreement (as amended from time to time), which is available on the Upromise website at **www.upromise.com**. If you want more information about Upromise, visit **www.upromise.com**.

Part 7. Other Information About Your Account

Contributions

You may contribute money to the Plan by any of the following methods: check, third-party personal check up to $10,000, automatic investment plan, payroll direct deposit, electronic bank transfer, transfer from a Upromise account, or rollover. The Plan will not accept contributions made with cash, money orders, credit card, stocks, securities, or other nonbank account assets. For contributions that reference the account number or use a contribution form from the former Program Manager, TIAA-CREF, your contribution will be invested according to your current contribution allocations on your account.

Note: The Plan may deduct money from your account for any expenses incurred by the Plan on your behalf as a result of any check, automatic investment, or electronic bank transfer being returned unpaid by the financial institution upon which it is drawn.

Minimum Contributions

Unless you contribute to your account through a payroll direct deposit, you must contribute at least $25 to open an account. The minimum amount for additional contributions is $25. You may also receive a minimum gift contribution of $25 through Ugift—Give College Savings.

Contributions by Check

Please make all checks payable to: *MOST—Missouri's 529 College Savings Plan*, and send them to the following address: Upromise Investments Service Center, P.O. Box 219212, Kansas City, MO 64121-9212. For established accounts, please include your account number on the check.

The Plan will not accept contributions made by money order, starter check, bank courtesy check, instant loan check, credit card check, traveler's check, foreign check not in U.S. dollars, check dated more than 180 days before the Plan receives it, postdated check, check with unclear instructions, or any other check the Plan deems unacceptable. Family and friends may contribute by check through Ugift—Give College Savings as described in **Contributions—Ugift—Give College Savings** in this section.

Payroll Direct Deposit*

You may be eligible to make automatic contributions to your Plan account by payroll direct deposit. The minimum initial and subsequent payroll direct deposit contribution is $15.

Contributions by payroll direct deposit will only be permitted from employers able to meet the Plan's operational and administrative requirements for payroll direct deposit. Please check with your employer to see whether you are eligible to contribute to the Plan through payroll direct deposit. You may set up payroll direct deposit by submitting the appropriate form, which you can get online at **www.missourimost.org** or by calling 888-414-MOST (888-414-6678).

Automatic Investment Plan (AIP)*

You may contribute to the Plan through periodic automated debits of $25 or more from a checking or savings account at your bank, if your bank is a member of the Automated Clearing House, subject to certain processing restrictions. There is no charge for establishing or maintaining an AIP. To initiate an AIP during enrollment, you must complete the appropriate section of the online or paper enrollment. Even if you initiate an AIP during enrollment, the $25 initial minimum contribution applies. You also may set up an AIP after an account has been established, either online at **www.missourimost.org** or by submitting the appropriate form. If you already have banking information on file, you can set up an AIP by calling 888-414-MOST (888-4141-6678).

Your bank account will be debited on the day you designate, provided the day is a regular business day. If the day you designate falls on a weekend or a holiday, the AIP debit from your bank account will occur on the next business day. You will receive a trade date of one business day prior to the day the bank debit occurs. For example, if the 15th of every month was selected as the debit date and the 15th falls on a business day, then the trade date for the transaction will be the 14th. If you indicate a debit date that is within the first three days of the month, there is a chance that your investment will be credited on the last business day of the previous month. Therefore, the 1st through the 4th of the month are not recommended debit dates. Please note that AIPs with a debit date of January 1st, 2nd, 3rd, or 4th will be credited in the same year as the debit date. The first debit of an AIP must be at least three days from the date of receipt of the AIP request. Quarterly AIP investments will be made on the day indicated every three months, not on a calendar-quarter basis. If no date is designated, your bank account will be debited on the 20th of the month. (If the 20th is not a business day, the debit will be made on the next business day.)

Authorization to perform automated periodic deposits will remain in effect until the Plan has received notification of its termination.

Either you or the Plan may terminate your enrollment in AIP at any time. You can also sign up to increase your AIP contribution automatically on an annual basis. There is no charge for establishing this annual increase. You can select the dollar amount and the month of the increase. Each year, your AIP contribution will increase automatically by the dollar amount selected. The first increase will occur at the time of the first AIP contribution in the month selected. Changes to, or termination of, an AIP must occur at least five business days before an AIP debit is scheduled to be deducted from your bank account and are not effective until received and processed by the Plan. If your AIP contribution cannot be processed because the bank account on which it is drawn contains insufficient funds or because of incomplete information or inaccurate information, or if the transaction would violate processing restrictions, the Plan reserves the right to suspend processing of future AIP contributions.

*A plan of regular investment cannot assure a profit or protect against a loss in a declining market.

Electronic Bank Transfer (EBT)

You may contribute to your Plan account by giving authorization to make a one-time EBT from your bank checking or savings account, subject to certain processing restrictions. To authorize an EBT, you must provide certain information about the bank account from which money will be withdrawn (the same information required to establish an AIP). Once you have provided that information, you may make an EBT from the designated bank account to the Plan online at **www.missourimost.org** or by phone at 888-414-MOST (888-414-6678). There is no charge for making an EBT. Please note that you may only contribute up to $130,000 per account per day by EBT. EBT contributions in excess of $130,000 per account per day will be returned. EBT purchase requests that are received in good order by the Plan before 10 p.m., Eastern time, will be given a trade date of the next business day after the date of receipt and will be effected at that day's closing price for units of the applicable Portfolio. In such cases, the EBT debit from your bank account will occur on the second business day after the request is received. EBT purchase requests that are received in good order by the Plan after 10 p.m., Eastern time, will be given a trade date of the second business day after the date the request is received, and will be effected at that day's closing price for units of the applicable Portfolio. In such cases, the EBT debit will occur on the third business day after the request is received. If your EBT contribution cannot be processed because the bank account on which it is drawn contains insufficient funds or because of incomplete information or inaccurate information, or if the transaction would violate certain processing restrictions, the Plan reserves the right to suspend processing of future EBT contributions.

Ugift—Give College Savings

You may invite family and friends to contribute to your Plan accounts through Ugift—Give College Savings, a Plan feature, either by sending an e-mail invitation or providing a gift contribution coupon to family and friends. Gifts may be contributed either in connection with a special event or just to provide a gift to the Account Owner's Beneficiary. The gift givers fill in their name and gift contribution amount on the contribution coupon provided and mail a check for that amount along with the contribution coupon to the address provided. The minimum Ugift contribution is $25 by check made payable to *Ugift—MOST—Missouri's College Savings Plan*. The gift giver can complete an optional gift certificate and present it to you to let you know a gift contribution has been made to your Account.

Gift contributions associated with a special event will be held by the Program Manager upon receipt and transferred into your Account approximately five business days after the special event. If the gift contribution is received less than two business days prior to the special event, or if the gift contribution is not associated with a special event, then the gift contribution will be held for approximately seven business days before being transferred into your Account. Gift contributions through Ugift are subject to the general contribution limitations. Gift contributions will be invested according to the allocation on file for your Account at the time the gift contribution is transferred. There may be potential tax consequences of gift contributions to a Plan account. You and the gift giver should consult a tax advisor for more information.

Incoming Rollover Contributions

You can contribute to the Plan with money transferred from another state's 529 plan. This transaction is known as a rollover. You may roll over assets from an account in another state's 529 plan to an account in the Plan for the same Beneficiary without penalty or federal income tax consequences provided it has been more than 12 months since any previous rollover for that Beneficiary. You also may roll over money from an account in another state's 529 plan to an account in the Plan at any time without penalty or federal income tax consequences when you change Beneficiaries, provided that the new Beneficiary is a family member of the old Beneficiary. (See **Changing the Beneficiary** in this section for a list of the persons eligible.) A 529 plan rollover that does not meet these criteria will be considered a Nonqualified Withdrawal (defined in **Withdrawals** in this section) that is subject to federal income tax, an additional 10% federal penalty tax on earnings, and possibly state tax.

Incoming rollovers can be direct or indirect. Direct rollovers involve the transfer of money from one 529 plan directly to another. Indirect rollovers involve the transfer of money from an account in another state's 529 plan to the Account Owner, who then contributes the money to an account in the Plan. To avoid penalties and federal income tax consequences, money received by an Account Owner in an indirect rollover must be contributed to the Plan within 60 days of the withdrawal. You should be aware that not all states permit direct rollovers from 529 plans. In addition, there may be state income tax consequences (and, in some cases, state-imposed penalties) resulting from a rollover out of a state's 529 plan.

You can roll over assets to the Plan either as an initial contribution when you open an account or as an additional contribution to

an existing account. When making the rollover, you will need to provide the Plan with an account statement or other documentation from the distributing 529 plan account indicating how much of the rollover money is attributable to earnings. Until the Plan receives this documentation, the entire amount of your contribution will be treated as earnings, which would be subject to taxation in the case of a Nonqualified Withdrawal.

Contributions From an Education Savings Account or Qualified U.S. Savings Bond

You can contribute to the Plan with proceeds from the sale of assets held in an education savings account (formerly known as an Education IRA) or a Qualified U.S. Savings Bond (eligible Series EE and I bonds issued after 1989). You will need to provide the Plan with the following documentation:

- For assets from an education savings account: an account statement or other documentation from the custodial financial institution showing the total amount contributed and the proportion of the assets that represent earnings.
- For assets obtained by redeeming a Qualified U.S. Savings Bond: an account statement, a Form 1099-INT, or other documentation from the financial institution that redeemed the bond showing how much of the proceeds represented interest and how much represented principal.

Until the Plan receives this documentation, the entire amount of your contribution will be treated as earnings, which would be subject to taxation in the case of a Nonqualified Withdrawal.

Contributions From UGMA/UTMA Custodial Accounts

The custodian for a minor under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act (UGMA/UTMA) may use the assets previously held in an UGMA/UTMA account to open an account in the Plan and act as the Account Owner, subject to the laws of the state under which the UGMA/UTMA account was established. The minor and/or the minor's parent may incur capital gains (or losses) from the sale of noncash assets held by an UGMA/UTMA account. Please contact a tax professional to determine how to transfer UGMA/UTMA custodial assets, and what the implications of such a transfer may be for you.

UGMA/UTMA custodians should consider the following:

- The custodian may make withdrawals only as permitted under UGMA/UTMA regulations and the Plan;
- The custodian may not change the Beneficiary of the account (directly or by means of a rollover distribution), except as permitted under UGMA/UTMA;
- The custodian should not change the Account Owner to anyone other than a successor custodian during the term of the custodial account under UGMA/UTMA;
- When the custodianship terminates, the Beneficiary is legally entitled to take control of the account and may become the Account Owner subject to the provisions of the Plan that are applicable to accounts established or funded with non-UGMA/UTMA assets, if applicable; and
- Additional contributions of money not previously gifted to the Beneficiary under UGMA/UTMA should be made to a separate and noncustodial 529 plan account. A noncustodial 529 plan account will allow the Account Owner to retain control of the assets and make Beneficiary changes.

Neither the Plan nor any of its Associated Persons will be liable for any consequences related to a custodian's improper use, transfer, or characterization of custodial funds.

Transfer of Assets to Another Beneficiary Within the Plan

If you transfer assets from one Beneficiary's account to the account of another Beneficiary within the Plan or any other 529 plan sponsored by the State of Missouri, and if the new Beneficiary is an eligible family member of the prior Beneficiary, then the transfer will be treated as a nontaxable rollover of assets for federal income tax purposes.

Transfer of Assets to the Same Beneficiary Within the Program Trust

A transfer into a Plan account from an account in the Missouri advisor program within the Program Trust for the benefit of the same designated beneficiary will be treated as a nontaxable annual exchange of investment options allowable only once per calendar year, rather than as a tax-free rollover.

See **Changing Investment Options for Current Balances and Future Contributions**, below, for more information on changes to investment options.

Changing Investment Options for Current Balances and Future Contributions

You may move money already in your account to a different mix of investment options within the Plan or to any other 529 plan sponsored by the State of Missouri (i.e., make exchanges or reallocate) only once per calendar year.

Systematic exchanges that occur because of the assets being in an Age-Based Portfolio do not count as a once-per-calendar-year exchange. If you reallocate your money within the Plan, this may be deemed your calendar-year reallocation of assets and, therefore, you may be prohibited under federal regulations from reallocating your investments in another 529 plan sponsored by the State of Missouri during that year.

You may make exchanges anytime you change the Beneficiary. See **Changing the Beneficiary** in this section. However, the Plan reserves the right to suspend processing of a Beneficiary transfer if it suspects it is being requested for reasons other than intended by the Plan.

You may change the allocation of future contributions at any time. Please note that a decision to change the allocation of future contributions will not affect the allocation of assets already in your

account, and vice versa. For example, assume that since you opened your account, your contributions have been allocated 60% to Option A and 40% to Option B. You decide to reallocate existing assets as follows: 60% to Option A and 40% to Option C. At the same time, you decide to allocate 100% of future contributions to Option D. You may not make any other changes to the allocation of existing assets in your account during the current calendar year. However, you may continue to change the allocation of future contributions.

Note: If you withdraw funds from an account in the Plan and subsequently redeposit those funds into an account for the same Beneficiary in this or another 529 plan sponsored by the State of Missouri, the withdrawal will be treated as a Nonqualified Withdrawal (defined in **Withdrawals** below) subject to tax consequences and penalties. However, you may request a direct transfer of funds from your account to another 529 plan sponsored by the State of Missouri or a transfer to the Plan. Such a direct transfer will be treated as a change of investment options (exchange) and will not be subject to federal income tax or the 10% federal penalty tax on earnings, provided that it, together with other investment-option changes, does not occur more than once per calendar year. You may exchange existing assets or change the allocation of future contributions online at **www.missourimost.org**, by phone at 888-414-MOST (888-414-6678), or by submitting the appropriate form.

Withdrawals

You may withdraw money from your account at any time, except as noted below. To make a Qualified Withdrawal, you may make your request online, by telephone, or by mail. If you make your request by mail, you must submit the appropriate form and provide such other information as the Plan may require. If the request is in good order, the Plan typically will process the withdrawal and initiate payment of a distribution within three business days after the trade date. (The trade date is determined in accordance with the policies described in **Pricing of Portfolio Units** in this section.) During periods of market volatility and at year-end, withdrawal requests may take up to five business days to process. Please allow ten business days to receive the distribution. The Plan will not send any proceeds from your withdrawal request until all the money has been collected (i.e., until the money's availability in your account is confirmed). Contributions made by check, AIP, or EBT will not be available for withdrawal for ten calendar days.

Withdrawals will be held for 15 calendar days from a mailing address change if proceeds are requested by check to the Account Owner or for a Beneficiary address change if the proceeds are requested by check to the Beneficiary. The 15-calendar-day hold does not apply to checks sent directly to the education institution. Withdrawals by EBT will not be available for 15 calendar days after bank information has been added or edited.

There are two types of withdrawals: Qualified and Nonqualified.

- In a Qualified Withdrawal, the proceeds are used for the Qualified Higher-Education Expenses (as defined below) of your Beneficiary.
- A Nonqualified Withdrawal is any withdrawal that is NOT:
  - a Qualified Withdrawal;
  - a withdrawal paid to a beneficiary of the Beneficiary (or the estate of the Beneficiary) on or after the death of the Beneficiary;
  - a withdrawal by reason of the disability of the Beneficiary;
  - a withdrawal by reason of the receipt of a scholarship or attendance at a U.S. Military Academy by the Beneficiary (to the extent the amount withdrawn does not exceed the amount of the scholarship);
  - a withdrawal that is rolled over into another 529 plan in accordance with Section 529; or
  - a transfer of assets to the credit of another Beneficiary within the Plan or any other 529 plan sponsored by the State of Missouri, so long as the other Beneficiary is a family member of the prior Beneficiary.

Each of these exceptions to treatment as a Nonqualified Withdrawal is explained in more detail below.

The earnings portion of a Qualified Withdrawal is not subject to federal income tax. The earnings portion of a Nonqualified Withdrawal (a) is treated as income to the person who receives it and thus subject to applicable federal and state income taxes, and (b) is subject to an additional 10% federal penalty tax on earnings. Although the Plan will report the earnings portion of all withdrawals, it is solely the responsibility of the person receiving the withdrawal to calculate and report any resulting tax liability.

Qualified Higher-Education Expenses

Qualified Higher-Education Expenses currently include:

- Tuition, fees, and the costs of books, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution;
- Certain room and board costs incurred while attending an Eligible Educational Institution at least half-time;
- In the case of a special-needs Beneficiary, expenses for special-needs services incurred in connection with enrollment or attendance at an Eligible Educational Institution; and
- Expenses paid or incurred in 2010, for the purchase of certain computer technology or equipment or Internet access and related services, if such technology, equipment, or services are to be used by the Beneficiary and the Beneficiary's family during any of the years the Beneficiary is enrolled at an Eligible Educational Institution. Expenses for computer software designed for sports, games, or hobbies are not included unless the software is predominantly educational in nature.

Room and board expenses (unlike expenses for tuition, fees, books, supplies, equipment, and special-needs services) may be treated as a Qualified Higher-Education Expense only if the Beneficiary is enrolled at least half-time. Half-time is defined as half of a full-time academic workload for the course of study the Beneficiary pursues, based on the standard at the institution where he or she is enrolled. Room and board expenses that may be treated as Qualified Higher-Education Expenses generally will be limited to the room and board allowance calculated by the Eligible Educational Institution in its "cost of attendance" for purposes of determining eligibility for federal education assistance for that year. For students living in housing owned or operated by the Eligible Educational Institution, if the actual amount charged for room and board is higher than the "cost of attendance" figure, then the actual amount may be treated as qualified room and board costs.

Eligible Educational Institutions

Eligible Educational Institutions include accredited postsecondary educational institutions in the United States or abroad offering credit toward an associate's degree, a bachelor's degree, a graduate-level or professional degree, or another recognized postsecondary credential, and certain postsecondary vocational and proprietary institutions. To be an Eligible Educational Institution for purposes of Section 529, an institution must be eligible to participate in U.S. Department of Education student financial aid programs.

Certain Other Withdrawals Are Exempt From the 10% Federal Penalty Tax

Death of the Beneficiary

If the Beneficiary dies, you may select a new Beneficiary or authorize a payment to a beneficiary of the Beneficiary or the estate of the Beneficiary. A payment to a beneficiary of the Beneficiary or the estate of the Beneficiary will not be subject to the additional 10% federal penalty tax on earnings, but earnings will be subject to any applicable federal and state income taxes at the recipient's (the party receiving the withdrawal) tax rate. If you select a new Beneficiary who is a "member of the family" (defined in this section) of the former Beneficiary (see **Changing the Beneficiary** in this section), you will not owe federal income tax or a penalty on withdrawals.

Disability of the Beneficiary

If the Beneficiary becomes disabled, you may change the Beneficiary or withdraw all or a portion of the account balance. A withdrawal due to the disability of the Beneficiary will not be subject to the additional 10% federal penalty tax on earnings, but earnings will be subject to any applicable federal and state income taxes at the recipient's (the party receiving the withdrawal) tax rate. If you change the Beneficiary to an individual who is a "member of the family" (defined in this section) of the former Beneficiary (see **Changing the Beneficiary** in this section), you will not owe federal income tax or a penalty on withdrawals.

Receipt of Scholarship/Attendance at a U.S. Military Academy

If the Beneficiary receives a qualified scholarship or attends a U.S. Military Academy, you may withdraw money from the account for noneducational purposes up to the amount of the scholarship without imposition of the additional 10% federal penalty tax on earnings. A qualified scholarship includes certain educational assistance allowances under federal law as well as certain payments for educational expenses (or attributable to attendance at certain educational institutions) that are exempt from federal income tax. The earnings portion of a withdrawal due to a qualified scholarship is subject to any applicable federal and state income taxes at the recipient's (the party receiving the withdrawal) tax rate.

Rollovers to Other 529 Plans

You may perform a tax-free rollover of a 529 account for the same Beneficiary once every 12 months. The Plan will accept another custodian's rollover request to process a rollover and send a check directly to the 529 plan custodian, if the request is in good order.

Maximum Contribution Limit

You may contribute to an account for a Beneficiary provided the aggregate balance of all accounts for the same Beneficiary under all college savings plans sponsored by the State of Missouri under Section 529 does not exceed the Maximum Contribution Limit (the "Maximum Contribution Limit"), which currently is $235,000. Accounts that have reached the Maximum Contribution Limit may continue to accrue earnings, but the excess portion of any contribution that would cause the account balance to exceed the Maximum Contribution Limit will not be accepted and will be returned to the contributor. The determination of whether the Maximum Contribution Limit has been reached is based on the aggregate market value of the account(s) for a Beneficiary, and not on the aggregate contributions made to the account(s). If, however, the market value of such account(s) falls below the Maximum Contribution Limit, additional contributions will be accepted.

The Board expects to evaluate the Maximum Contribution Limit annually, but reserves the right to make adjustments more or less frequently.

Unused Account Assets

If the Beneficiary graduates from an Eligible Educational Institution or chooses not to pursue higher education, and assets remain in the account, you have three options:

1. You can change the Beneficiary to an eligible "member of the family" of the former Beneficiary.
2. You can keep the assets in the account to pay future Qualified Higher-Education Expenses, such as graduate or professional school expenses, of the existing Beneficiary.
3. You can withdraw the remaining assets (including earnings).

Options 1 and 2 are not subject to federal and state income taxes or penalties. Option 3 is a Nonqualified Withdrawal subject to

applicable federal and state income taxes, including the additional 10% federal penalty tax on earnings.

Pricing of Portfolio Units

When you contribute to the Plan, your money will be invested in units of one or more Portfolios, depending on the investment option(s) you select. The price of a Portfolio Unit is calculated each business day after the close of trading on the New York Stock Exchange ("NYSE"). The price is determined by dividing the dollar value of the Portfolio's net assets (i.e., total Portfolio assets minus total Portfolio liabilities) by the number of Portfolio Units outstanding. On holidays or other days when the NYSE is closed, the Portfolio's unit price is not calculated, and the Plan does not transact purchase, exchange, transfer, or redemption requests.

When you purchase or redeem units of a Portfolio, you will do so at the price of the Portfolio's units on the trade date. Your trade date will be determined as follows:

- If the Plan receives your transaction request (whether to contribute money, withdraw money, or exchange money between investment options) in good order on a business day prior to the close of the NYSE, your transaction will receive that day's trade date.
- If the Plan receives your transaction request in good order on a business day after the close of the NYSE or at any time on a nonbusiness day, your transaction will receive the next business day's trade date.
- As an exception to the two points above, AIP and EBT contributions will receive a trade date of the business day before the day the bank debit occurs.

Confirmations and Statements/Safeguarding Your Account

You will receive quarterly account statements indicating, for the applicable time period: (1) contributions made to the account, (2) withdrawals made from the account, (3) exchanges between investment options, (4) contribution percentages among selected investment options in the account, and (5) the total value of the account at the end of that time period. You will receive transaction confirmations for any activity in the account, except for contributions made by AIP or payroll direct deposit, for account assets that are automatically moved to a more conservative Age-Based Option as a Beneficiary ages, or for transfers from a Upromise service account to your Plan account; instead, these transactions will appear on your quarterly statement. The Plan periodically matches the addresses of record against a change-of-address database maintained by the U.S. Postal Service to reduce the possibility that items sent by first-class mail, such as account statements, will be undeliverable.

You can securely access and manage your account information—including quarterly statements, transaction confirmations, and tax forms—24 hours a day at **www.missourimost.org** once you have created an online user name and password. If you open an account online, the Plan requires you to select a user name and password right away. If you open an account by submitting a paper application, you may establish a user name and password at **www.missourimost.org**.

The Plan uses reasonable procedures to confirm that transaction requests are genuine. However, you may be responsible for losses resulting from fraudulent or unauthorized instructions received by the Plan, provided the Plan reasonably believed the instructions were genuine. To safeguard your account, please keep your information confidential. Contact the Plan immediately if you believe there is a discrepancy between a transaction you requested and your confirmation statement, or if you believe someone has obtained unauthorized access to your account.

If you receive a confirmation that you believe does not accurately reflect your instructions—e.g., the amount invested differs from the amount contributed or the contribution was not invested in the particular investment options you selected—you have 60 days from the date of the confirmation to notify the Plan of the error. If you do not notify the Plan within 60 days, you will be considered to have approved the information in the confirmation and to have released the Plan and its Associated Persons from all responsibility for matters covered by the confirmation.

Account Restrictions

In addition to rights expressly stated elsewhere in this Program Description, the Plan reserves the right to (1) freeze an account and/or suspend account services when the Plan has received reasonable notice of a dispute regarding the assets in an account, including notice of a dispute in account ownership or when the Plan reasonably believes a fraudulent transaction may occur or has occurred; (2) freeze an account and/or suspend account services upon the notification to the Plan of the death of an Account Owner until the Plan receives required documentation in good order; and reasonably believes that it is lawful to transfer account ownership to the successor Account Owner; and (3) redeem an account, without the Account Owner's permission, in cases of threatening conduct or suspicious, fraudulent, or illegal activity. The risk of market loss, tax implications, penalties, and any other expenses as a result of such an account freeze or redemption will be solely the Account Owner's responsibility.

Control Over the Account

Pursuant to Section 529, the Account Owner controls the account and the disposition of all assets held in the account, including earnings, whether contributed by the Account Owner or by another person. A Beneficiary who is not the Account Owner has no control over any of the account assets.

Designation of Successor Account Owner

You may designate a successor Account Owner (to the extent permitted under applicable law) to succeed to all of your rights, title, and interest in an account (including the right to change the Beneficiary) upon your death or inability to continue as Account Owner. This designation can be made on the initial Enrollment Application, which is available online at **www.missourimost.org**.

If you do not initially designate a successor Account Owner but later decide to do so, or if you wish to revoke or change a designation, you may either make the change online at **www.missourimost.org**, by phone at 888-414-MOST (888-414-6678), or by submitting the appropriate form. The designation will become effective for the successor Account Owner once this paperwork has been received and processed. All requests to transfer ownership to a successor Account Owner after your death or inability to continue as Account Owner must be submitted by authorized persons in writing. The successor Account Owner will be required to give the Program Manager a certified copy of a death certificate sufficiently identifying you by name and Social Security number or other proof recognized under applicable law and acceptable to the Program Manager before taking any action regarding the account following your death. To complete the transfer, your successor Account Owner must also complete a new Enrollment Application. Contact the Plan at 888-414-MOST (888-414-6678) for information needed to complete the change of ownership. Please note that a change in Account Owner may have adverse tax consequences.

Changing the Beneficiary

Section 529 permits an Account Owner to change Beneficiaries without adverse federal income tax consequences if the new Beneficiary is a "member of the family" (as defined below) of the former Beneficiary. If the new Beneficiary is not a family member of the former Beneficiary, then the change is treated as a Nonqualified Withdrawal subject to the additional 10% federal penalty tax on earnings, as well as the tax consequences, previously described.

There may be federal gift tax, estate tax, or generation-skipping transfer tax consequences in connection with changing the Beneficiary of a 529 plan account. Please see **Part 8. Federal and State Tax Treatment—Federal Gift and Estate Taxes**.

You can process a Beneficiary change online at **www.missourimost.org**, or by submitting the appropriate forms. You may also process a Beneficiary change by phone at 888-414-MOST (888-414-6678), as long as you have previously established an Account for the new Beneficiary either online or by submitting a new Enrollment Application. At the time you change Beneficiaries, you may reallocate assets in the account to a different mix of investment options.

Note: Assets invested in an Age-Based Option, if not reallocated to a different investment option, will automatically be moved to the Portfolio within the Option that corresponds to the age of the new Beneficiary (unless the new Beneficiary is in the same age bracket as the former Beneficiary).

Member of the Family

A "member of the family" of the Beneficiary is defined as:

- Father, mother, or an ancestor of either.
- Son, daughter, or a descendant of either.
- Stepfather or stepmother.
- Stepson or stepdaughter.
- Brother, sister, stepbrother or stepsister, half brother or half sister.
- Brother or sister of the father or mother of the original Beneficiary.
- Brother-in-law, sister-in-law, son-in-law, daughter-in-law, father-in-law, or mother-in-law.
- Son or daughter of a brother or sister.
- Spouse of the Beneficiary or any of the individuals mentioned above.
- First cousin.

A legally adopted child of an individual shall be treated as the child of such individual by blood.

Part 8. Federal and State Tax Treatment

This section summarizes key aspects of the federal and state tax treatment of contributions to, and withdrawals from, 529 plan accounts. The information provided below is not exhaustive. It is based on the Plan's understanding of current law and regulatory interpretations relating to 529 plans generally and is meant to provide 529 plan Account Owners with general background information about the tax characteristics of these programs. Neither this **Part 8**, nor any other information provided throughout this Program Description is intended to constitute, nor does it constitute, legal or tax advice. This Program Description was developed to support the marketing of the Plan and cannot be relied upon for purposes of avoiding the payment of federal tax penalties. You should consult your legal or tax advisor about the impact of these rules on your individual situation.

The summary tax and legal description provided below is based on the Internal Revenue Code of 1986, as amended (the "Code"), and proposed regulations in effect as of the date of this Program Description, as well as other administrative guidance and announcements issued by the Internal Revenue Service ("IRS") and the U.S. Department of the Treasury. It is possible that Congress, the Treasury Department, the IRS, or the federal or state courts may take action that will affect the tax treatment of 529 plan contributions, earnings, withdrawals, or the availability of state tax deductions. Individual state legislation may also affect the state tax treatment of a 529 plan for residents of that state.

In 2008, the Missouri legislature modified certain aspects of the state taxation of Section 529 plans. These modifications include but are not limited to tax parity, which affects the taxation of contributions to qualified 529 plans. The Plan strongly encourages Account Owners and Beneficiaries to consult with their tax advisors regarding the impact of Missouri law, and the tax consequences of contributing money to, or withdrawing money from, a qualified 529 plan account. If you are not a Missouri taxpayer, consider before investing whether your or the beneficiary's home state offers a 529 plan that provides its taxpayers with favorable state tax or other benefits that may only be available through investment in the home state's 529 plan, and which are not available through investment in the Plan. Since different states have different tax provisions, this

Program Description contains limited information about the state tax consequences of investing in the Plan. Therefore, please consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You may also wish to contact your home state's 529 plan(s), or any other 529 plan, to learn more about those plans' features, benefits, and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

General 529 Plan Tax Treatment

529 plans allow individuals and certain other entities to provide for the education-related expenses of a Beneficiary in a tax-advantaged manner. To be eligible for these tax benefits, 529 plan account assets must be used to pay the Qualified Higher-Education Expenses of the Beneficiary at an Eligible Educational Institution. The terms "Qualified Higher-Education Expenses" and "Eligible Educational Institution" are defined in **Part 7. Other Information About Your Account**.

529 Plan Contributions and Withdrawals

Federal law does not allow a tax deduction for contributions to 529 plans. However, the income earned on any such contributions may generally grow free of federal income tax until distributed. Qualified Withdrawals (i.e., withdrawals to pay for the Qualified Higher-Education Expenses of a Beneficiary) and qualified rollovers are not subject to federal income taxation. The earnings portion of Nonqualified Withdrawals, however, is subject to all applicable federal and state income taxes and, in most cases, to an additional 10% federal penalty tax on earnings.

The additional 10% federal penalty tax on earnings does not apply to certain withdrawals made because of (1) the death or disability of the Beneficiary, (2) a qualified rollover, as described below, or (3) attendance at a U.S. Military Academy or a scholarship, allowance, or similar payment made to the Beneficiary, but only to the extent of such payment. See **Part 7. Other Information About Your Account—Certain Other Withdrawals Are Exempt From the 10% Federal Penalty Tax**.

All accounts in 529 plans sponsored by the State of Missouri with the same Account Owner and Beneficiary will be aggregated for purposes of calculating the earnings portion of a particular withdrawal. This calculation will be made as of the withdrawal date.

Qualified Rollovers

An Account Owner may transfer all or part of the Funds in a 529 plan account to an account in another 529 plan without adverse federal income tax consequences if, within 60 days of the withdrawal from the distributing account, such funds are transferred to or deposited into an account at another 529 plan for the benefit of (1) an individual who is a "member of the family" (defined in **Part 7. Other Information About Your Account—Changing the Beneficiary**) of the former Beneficiary, or (2) the same Beneficiary, but only if no other such rollover distribution or transfer has been made for the benefit of such individual within the preceding 12 months. Transfers between 529 plans sponsored by the State of Missouri are not subject to this rule. See **Part 7. Other Information about Your Account—Changing Investment Options for Current Balances and Future Contributions**.

Other Contributions and Transfers

An individual may generally transfer into a 529 plan account, without adverse federal income tax consequences, all or part of (1) money held in an account in the Plan for a "member of the family" of the Beneficiary, if the money is transferred within 60 days of the withdrawal from the distributing account, (2) money from an education savings account described in Section 530 of the Code, or (3) the proceeds from the redemption of a Qualified U.S. Savings Bond described in Section 135 of the Code.

Coordination With Other Higher-Education Expense Benefit Programs

The tax benefits afforded to 529 plans must be coordinated with other programs designed to provide tax benefits for meeting higher-education expenses in order to avoid the duplication of such benefits. The coordinated programs include education savings accounts under Section 530 of the Code and the Hope and Lifetime Learning Credits under Section 25A of the Code.

Education Savings Accounts

An individual may contribute money to, or withdraw money from, both a 529 plan account and an education savings account in the same year. However, to the extent the total withdrawals from both accounts exceed the amount of the Qualified Higher-Education Expenses incurred that qualifies for tax-free treatment under Section 529, the recipient must allocate his or her Qualified Higher-Education Expenses between both such withdrawals in order to determine how much may be treated as tax-free under each program.

Hope Scholarship and Lifetime Learning Tax Credits

The use of a Hope Scholarship tax credit or Lifetime Learning tax credit by a qualifying Account Owner and Beneficiary will not affect participation in or benefits from a 529 plan account, so long as the 529 plan assets are not used for the same expenses for which the credit was claimed. However, if the 529 plan assets are used for the same expenses for which the tax credit was claimed, the amount of the Beneficiary's Qualified Higher-Education Expenses will be reduced by the amount of those expenses. As a result of this reduction, the earnings portion of the 529 plan withdrawal for those expenses may be subject to federal and state income tax (but not the additional 10% federal income tax penalty).

Federal Gift and Estate Taxes

Contributions (including certain rollover contributions) to a 529 plan account generally are considered completed gifts to the Beneficiary and are eligible for the applicable annual exclusion from gift and generation-skipping transfer taxes (in 2010, $13,000 for a single individual or $26,000 for an electing married couple). Except in the situations described in the following paragraph, if the Account Owner were to die while assets remain in a 529 plan account, the value of the account would not be included in the Account Owner's estate.

In cases where contributions to a 529 plan account exceed the applicable annual exclusion amount for a single Beneficiary, the contributions may be subject to federal gift tax and possibly the generation-skipping transfer tax in the year of contribution. However, in these cases, a contributor may elect to apply the contribution against the annual exclusion equally over a five-year period. This option is applicable only for contributions up to five times the available annual exclusion amount in the year of the contribution. Once this election is made, if the contributor makes any additional gifts to the same Beneficiary in the same or the next four years, such gifts may be subject to gift or generation-skipping transfer taxes in the calendar year of the gift. However, any excess gifts may be applied against the contributor's lifetime gift tax exclusion.

If the Account Owner chooses to use the five-year forward election and dies before the end of the five-year period, the portion of the contribution allocable to the years remaining in the five-year period (beginning with the year after the Account Owner's death) would be included in the Account Owner's estate for federal estate tax purposes.

If the Beneficiary of a 529 plan account is changed to a "member of the family" of the old Beneficiary, or amounts in an account are rolled over to a new Beneficiary of the same generation as the old Beneficiary (or an older generation), a gift or generation-skipping transfer tax will not apply. If the new Beneficiary is of a younger generation than the former Beneficiary, there will be a taxable gift to the extent of the amount transferred. Generation-skipping transfer taxes may apply if the new Beneficiary is two or more generations below (younger than) the old Beneficiary. The five-year rule explained previously may be applicable here. In certain circumstances, the gross estate of a Beneficiary may include the value of the 529 plan account. Estate, gift, and generation-skipping transfer tax issues arising in conjunction with 529 plans can be quite complicated. You should consult your tax advisor if you have any questions about these issues.

State Taxes

Earnings from the investment of contributions to an account will not be subject to Missouri income tax until funds are withdrawn in whole or in part from the account. The earnings portion of a Qualified Withdrawal will not be taxed, whereas the earnings portion of a Nonqualified Withdrawal will be taxable to the recipient.

The assets of the Plan and any income derived therefrom are exempt from all taxation from Missouri or any of its political subdivisions, and income earned or received from Qualified Withdrawals from an account by an Account Owner or a Beneficiary is not subject to Missouri income tax. This exemption only applies to assets and income maintained, accrued, or expended pursuant to the requirements of the Plan.

Contributions by an Account Owner to his or her accounts are deductible in computing the Account Owner's Missouri adjusted gross income in an amount not to exceed $8,000 ($16,000 if married filing jointly) in the aggregate for all contributions to all accounts of the Account Owner in any taxable year. The Missouri Department of Revenue does not consider rollovers from another qualified tuition program into the Plan to be contributions eligible for the deduction. For purposes of this paragraph, rollovers (which are transfers made to a new Beneficiary who is a "member of the family" of the prior Beneficiary) include (i) direct transfers of funds from an account in another state's qualified tuition program to an account and (ii) a deposit within 60 days to an account of funds withdrawn from another state's qualified tuition program. Contributions, other than rollovers, of up to $8,000 per taxable year ($16,000 if married filing jointly) are deductible by the Account Owner for Missouri income tax purposes. In order for Missouri Account Owners to claim their Missouri state tax deduction for 529 contributions to MOST, they must file a separate tax form (Form MO-A) and attach it to their state tax return form (Form MO-1040). In addition, the Missouri Department of Revenue requires Account Owners claiming the deduction to attach a statement provided by the Program Manager.

This information is not intended as individual tax advice, and Account Owners should consult with their own tax advisors concerning their individual circumstances. Only the Account Owner may claim a deduction for contributions to an account. In computing Missouri adjusted gross income, a husband and wife filing jointly may deduct up to $16,000 from federal adjusted gross income for contributions to a qualified 529 plan. The amount of the deduction may be split between the spouses in any ratio, as long as it does not exceed $16,000. For contributions to be deductible for a given taxable year, they must be made by the Account Owner prior to the end of that year. Contributions that are sent by U.S. mail will be treated as having been made in a particular year if the envelopes in which they are sent are postmarked on or before December 31 of that year. Contributions done by EBT will be treated as having been made in a particular year if the EBT request is submitted by 11:59 p.m., Eastern time, on the last calendar day of that year. Contributions done by AIP will be treated as having been made based on the designation date of that AIP transaction. (If your AIP designation date is January 1st, 2nd, 3rd, or 4th, that AIP will be treated as having been made in the new calendar year.) See Automatic Investment Plan (AIP) in **Part 7. Other Information About Your Account** for more detail on designation dates.

Contributions are not includable in computing the Missouri taxable income of Beneficiaries for Missouri personal income tax purposes. No portion of any Qualified Withdrawal will be includable in computing the Missouri taxable income of either the Account Owner or the Beneficiary of the account for Missouri tax purposes.

In the case of any withdrawal other than a Qualified Withdrawal or a rollover into another state's qualified 529 plan, the portion of the withdrawal that is attributable to contributions that were previously deductible for Missouri income tax purposes, as well as the portion that is attributable to earnings in the account, will be includable in computing the Missouri taxable income of the Account Owner for the year in which the withdrawal is made. This includes withdrawals made from an account prior to satisfying the minimum length of time established by the Board, if at all, and withdrawals made on account of the death or disability of, or award of scholarship to, or attendance at one of the Military Academies by, the Beneficiary. Rollovers to another state's qualified 529 plan are not taxable for Missouri income tax purposes and are not subject to recapture on the Missouri income tax return.

Missouri does not currently impose a gift tax. Consequently, contributions to and withdrawals from an account are not taxable gifts for Missouri purposes.

It is also possible that an Account Owner in the Plan may be entitled to a deduction in computing the income tax imposed by a state where he or she lives or pays taxes. Likewise, it is possible that a recipient of money withdrawn from the Plan may be subject to income tax on those withdrawals by the state where he or she lives or pays taxes. It is also possible that amounts rolled over into the Plan from another state's 529 plan may be subject to a state tax imposed on the rollover amount. You should consult with your tax advisor regarding the state tax consequences of participating in the Plan.

Tax Reports

The Plan will report withdrawals and other matters to the IRS, the Missouri Department of Revenue, distributees, and other persons, if any, to the extent required pursuant to federal, state, or local law, regulation, or ruling. Under federal law, a separate report will be filed by the Program Manager with the IRS reporting withdrawals from an account to each distributee reflecting, among other information, the earnings portion withdrawn during the calendar year to which the report pertains.

Part 9. Legal and Administrative Information About the Plan

Continuing Disclosure

To comply with Rule 15c2-12(b)(5) of the Securities Exchange Act of 1934 (the "Rule"), Upromise and the Board, as appropriate, will make appropriate arrangements for the benefit of Account Owners to produce and disseminate certain financial information and operating data (the "Annual Information") relating to the Plan and notices of the occurrence of certain enumerated events as required by the Rule. They will make provisions for the filing of the Annual Information with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA"). They will also make appropriate arrangements to file notices of certain enumerated events with EMMA.

Creditor Protection Under U.S. Laws

New federal bankruptcy legislation excludes from property of the debtor's bankruptcy estate certain assets that have been contributed to a 529 plan account. However, bankruptcy protection in this respect is limited and has certain conditions. For the 529 plan account to be excluded from the debtor's estate, the account beneficiary must be a child, stepchild, grandchild, or step-grandchild (including a legally adopted child or a foster child) of the individual who files for bankruptcy protection. In addition, contributions made to all 529 plan accounts for the same beneficiary are protected from becoming property of the debtor's estate as follows: (1) There is no exclusion for assets up to $5,000 if they have been contributed less than 365 days before the bankruptcy filing, (2) 529 plan account assets are excluded in an amount up to $5,000 if they have been contributed between 365 and 720 days before the bankruptcy filing, and (3) 529 plan accounts are fully excluded if they have been contributed more than 720 days before the bankruptcy filing.

Federal bankruptcy law permits a debtor to exempt certain specified assets from liability notwithstanding the assets being property of the debtor's estate. Under federal bankruptcy law, assets held in a 529 plan account that are property of the debtor's estate are not exempt from debt for domestic support obligations.

This information is not meant to constitute individual tax or bankruptcy advice, and you should consult with your own advisors concerning your individual circumstances.

Unclaimed Property

Under Missouri's Uniform Disposition of the Unclaimed Property Act, all property held by the program administrator will be presumed abandoned if the account is inactive for five years. All abandoned property is then placed in Missouri's Abandoned Fund Account and held in perpetuity until the original owner or the appropriate heir submits a claim for the abandoned funds.

Independent Registered Public Accounting Firm

The Plan has contracted with PricewaterhouseCoopers LLP, an independent registered public accounting firm, which is expert in accounting and auditing. The Plan's financial statements for the most recent fiscal year-end have been audited by PricewaterhouseCoopers LLP and are available by calling 888-414-MOST (888-414-6678).

Custodial Arrangements

With respect to the assets in the Plan, The Bank of New York Mellon ("Bank of New York Mellon") is the Plan's custodian. As such, Bank of New York Mellon holds in safekeeping cash, shares of investment companies registered under the Investment Company Act of 1940, as amended, and interests of the Vanguard Short-

Term Reserves Account belonging to the Plan. Upon instruction, The Bank of New York Mellon receives and delivers cash and shares of the investment companies of the Plan in connection with Portfolio transactions and collects all income payable to and all distributions made with respect to the Plan's share of investment companies.

Special Considerations

The Board reserves the right to:

- Refuse, change, discontinue, or temporarily suspend account services, including accepting contributions and processing withdrawal requests, for any reason.
- Delay sending out the proceeds of a withdrawal request (this generally applies only to very large withdrawal requests made without advance notice or during unusual market conditions).
- Refuse, following receipt of any contributions, withdrawal requests for up to 15 calendar days.
- Suspend the processing of withdrawal requests or postpone sending out the proceeds of a withdrawal request when the NYSE is closed for any reason other than its usual weekend or holiday closings, when trading is restricted by the Securities and Exchange Commission, or under any emergency circumstances.

Conflicts

In the event of any conflicts, the Missouri statutes and the U.S. Internal Revenue Code shall prevail over this Program Description.

Representations

Statements contained in this Program Description that involve estimates, forecasts, or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

Part 10. Arbitration

This Part 10 is a predispute arbitration clause. Any controversy or claim arising out of or relating to this Plan or the Enrollment Application, or the breach, termination, or validity of this Plan or the Enrollment Application, shall be settled by arbitration administered by the American Arbitration Association (the "AAA") in accordance with its Commercial Arbitration Rules (except that if Vanguard or Upromise is a party to the arbitration, it may elect that arbitration will instead be subject to the Code of Arbitration Procedure of the Financial Industry Regulatory Authority), which are made part of this Agreement, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

By the Account Owner signing an Enrollment Application and upon acceptance of the Account Owner's initial contribution by the Plan, the Account Owner and the other parties to this Plan agree as follows:

- **All parties to this Plan are giving up important rights under state law, including the right to sue each other in court and the right to a trial by jury, except as provided by the rules of the arbitration forum;**
- **Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited;**
- **The ability of the parties to obtain documents, witness statements, and other discovery is generally more limited in arbitration than in court proceedings;**
- **The potential costs of arbitration may be more or less than the cost of litigation;**
- **The arbitrators do not have to explain the reason(s) for their award;**
- **The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry;**
- **The rules of the arbitration forum may impose time limits for bringing a claim in arbitration;**
- **In some cases, a claim that is eligible for arbitration may be brought in court; and**
- **No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action, who is a member of a putative class who has opted out of the class with respect to any claims encompassed by the putative class action until (i) the class certification is denied, (ii) the class is decertified, or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent set forth in this section.**

The Plan Privacy Policy

The MOST Privacy Policy

All providers of personal financial services are now required by federal law to inform their customers of their policies regarding privacy of customer information. MOST—Missouri's 529 College Savings Plan (the "Plan" or "We"), a college savings plan created and administered by the State of Missouri, may be considered a provider of personal financial services for purposes of this new federal law. Accordingly, this notice is being provided to you, as an Account Owner in the Plan, to inform you of our policies regarding privacy of certain information.

Types of Nonpublic Personal Information Collected. We collect nonpublic personal information about you that is provided to us by you or obtained by us with your authorization. This includes information that We receive from you on applications and other forms.

Parties to Whom We Disclose Information. We do not disclose any nonpublic personal information about you to anyone, except as permitted by law. Permitted disclosures include, for instance, providing information to our employees and to related service providers who need to know the information to assist us in providing services to you. We stress the confidential nature of the information being shared in all situations.

Protecting the Confidentiality and Security of Current and Former Account Owners' Information. We retain records relating to services that the Plan provides so that We are better able to assist you with your college planning needs and, in some cases, to comply with governmental reporting requirements. In the case of former Account Owners, We will continue to adhere to the privacy policies and practices as described in this notice.

To guard your nonpublic personal information, We maintain physical, electronic, and procedural safeguards that comply with our privacy standards.

Your personal and financial information is very important to us. Please call 888-414-MOST (888-414-6678) if you have any questions.

Upromise Privacy Statement

Under the terms of the MOST Services Contract between Upromise Investments, Inc., Upromise Investment Advisors, LLC, and the Board, both Upromise parties are required to treat all Account Owner and Beneficiary information confidentially. Both Upromise parties are prohibited from using or disclosing such information, except as may be necessary to perform its obligations under the terms of its contract with the Board, or if required by applicable law, by court order, or other order.

Participation Agreement

I hereby agree with, and represent and warrant to, the Missouri Higher Education Savings Program Board (the "Board"), as Trustee of MOST—Missouri's 529 College Savings Plan (the "Plan"), as set forth below. Each capitalized term used but not defined in this Participation Agreement has the same meaning as it has in the Program Description.

A. General Information.

1. I understand and agree that this Participation Agreement is subject to and incorporates by reference those portions of the Program Description concerning the Plan and the terms applicable to accounts, as modified from time to time.
2. I understand that the Board has retained Upromise Investments, Inc., as the Program Manager for the Plan ("Upromise" or "Program Manager") and Upromise Investment Advisors, LLC, as Recordkeeping and Servicing Agent for the Plan.
3. I have received, read, and understand the Program Description. I have been given the opportunity to obtain answers to all of my questions concerning the Plan, my account, and this Participation Agreement. I understand that this Participation Agreement shall become effective upon the opening of the account on the records of the Program Manager. In making a decision to open an account and enter into this Participation Agreement, I have not relied upon any representations or other information, whether oral or written, other than as set forth in the Program Description and this Participation Agreement.
4. I certify that I am opening and contributing to my account to provide funds for the Qualified Higher-Education Expenses of the Beneficiary. I understand that any contribution, or portion of such contribution, that causes the total account balance in the aggregate for all accounts for the Plan and accounts in the Advisor Plan for the same Beneficiary to exceed the applicable Maximum Contribution Limit (currently $235,000 but subject to change) will be rejected and returned.
5. I recognize that the investment of assets in the Investment Options available through the Plan involves certain risks, and I have taken into consideration and understand the risk factors relating to these investments, including, but not limited to, those set forth in the Program Description. I understand and acknowledge that once invested in a particular investment option, contributions and any earnings thereon may only be transferred to another investment option once per calendar year or upon a change of the Beneficiary.
6. With respect to each investment option, I understand and acknowledge that neither my contributions nor investment returns so allocated to my account are guaranteed or insured by any person or entity. I understand that there is no guarantee that the Plan's investment objectives will be achieved.
7. I understand and acknowledge that with respect to each investment option in the Plan, there is no guarantee or commitment whatsoever from the State of Missouri, the Board, the Plan, the Program Manager, or any other person or entity that (a) actual higher-education expenses will be equal to projections and estimates provided by the Plan; (b) the Beneficiary will be admitted to any institution (including an Eligible Educational Institution); (c) upon admission to an institution, the Beneficiary will be permitted to continue to attend; (d) upon admission to an institution, state residency will be created for tuition, tax, financial aid eligibility, or any other purpose for the Beneficiary; (e) the Beneficiary will graduate or receive a degree from any institution; or (f) contributions and investment returns in this account will be sufficient to cover the Qualified Higher-Education Expenses of the Beneficiary.
8. I understand that Upromise will not necessarily continue as Program Manager for the entire period my account is open and that the Board may retain in the future different investment manager(s) to manage all or part of the Program Portfolio whether or not Upromise is still the Program Manager. I acknowledge that if this occurs, or even if it does not occur, there is no assurance that the terms and conditions of the current Participation Agreement would continue without material change, and that there are, accordingly, various potential consequences I should take into consideration as discussed in the Program Description, including (i) changes in the investment manager, currently Upromise and its affiliates; (ii) changes in the current Management Fee; and (iii) the possibility that if Upromise ceases to be Program Manager, I may have to open a new account in the Plan with the successor Program Manager in order to make future contributions on behalf of the Beneficiary of the account hereby established.
9. I understand that I will retain ownership of contributions made to my account in the Plan and earnings thereon until distribution.
10. *The following sentence is applicable for individuals executing this Participation Agreement in a representative or fiduciary capacity.* I have full power and authority to enter into and perform this Participation Agreement on behalf of the individual named above as Account Owner.
11. I understand and acknowledge that I have not been advised by the Program Manager, the State of Missouri, the Board,

or any other person or entity to invest, or to refrain from investing, in a particular investment option.

12. I understand that I may cancel this Participation Agreement at any time by written notice to the Program Manager. I also understand that this may be accomplished by a Qualified Withdrawal or a Nonqualified Withdrawal and that in the event of a Nonqualified Withdrawal, the penalty referred to in paragraph B of this Participation Agreement may apply.

B. *Penalties, Fees, and Taxes.* I understand and agree that I will be subject to an Additional Tax of 10% of the earnings portion of a Nonqualified Withdrawal and that this tax is payable through my federal income tax return to the U.S. Treasury, and I acknowledge that the rate of the Additional Tax may be changed and that the Management Fee is also subject to change, as described in the Program Description. In addition, I acknowledge and agree that I may be subject to other fees, taxes, charges, or penalties, as referred to in the Program Description.

C. *Limitations on Certain Distributions From Account.* I understand that if my mailing address or banking information has changed in the last 15 days, no distributions can be made from my account until the waiting periods described in the Program Description have been satisfied.

D. *Necessity of Qualification.* I understand that the Plan is intended to be a "qualified tuition program" under Section 529 of the Internal Revenue Code of 1986, and to achieve favorable Missouri state tax treatment under Missouri state law. I agree that the Board may make changes unilaterally to the Plan, this Participation Agreement, and the Program Description at any time if it is determined by the Board that such changes are necessary for the continuation of the federal income tax treatment provided by Section 529 or the favorable Missouri state income tax treatment provided by Missouri state law, or any similar successor legislation.

E. *Rules and Regulations.* The account and this Participation Agreement are subject to future changes to the Program Description and to such rules and regulations as the Board may promulgate in accordance with Missouri state law.

F. *Indemnity.* I understand that the establishment of my account will be based upon my agreements, representations, and warranties set forth in this Participation Agreement. I agree to indemnify and hold harmless the Board; Upromise and its subcontractors and affiliates; any vendors, contractors, investment advisors, or investment managers selected or approved by the Board; and any agents, representatives, or successors of any of the foregoing, from and against any and all loss, damage, liability, or expense, including reasonable attorney's fees, that any of them may incur by reason of, or in connection with, any misstatement or misrepresentation made by me herein or otherwise with respect to my account, and any breach by me of any of the agreements, representations, or warranties contained in this Participation Agreement. All of my agreements, representations, and warranties shall survive the termination of this Participation Agreement.

G. *Binding Nature; Third-Party Beneficiaries.* This Participation Agreement shall survive my death and shall be binding upon my personal representatives, heirs, successors, and assigns. The Program Manager is a third-party beneficiary of my agreements, representations, and warranties in this Participation Agreement.

H. *Transfer; Cancellation.* I understand that I may transfer this Participation Agreement to another Account Owner or cancel this Participation Agreement at any time, as described more fully in the Program Description and subject to the rules and regulations promulgated by the Board. Such transfers shall not be effective until written notice is received by the Board as Trustee.

I. *No Grant of Security Interest.* I understand that neither I nor my Beneficiary may use my account or other interest in the Plan, or any part thereof, as security for a loan.

J. *Amendment and Termination.* At any time, and from time to time, the Board may amend this Participation Agreement or the Plan may be suspended or terminated, but except as permissible under applicable law, my account will be held in trust by the Plan for my benefit and the benefit of my Beneficiary. Any amendments to statutes or regulations governing the Plan automatically amend this Participation Agreement, and any amendments to operating procedures and policies of the Plan will amend this Participation Agreement when such amendments become effective.

K. *Governing Law.* This Participation Agreement is governed by Missouri law.

MOST—Missouri's 529
College Savings Plan
Upromise Investments Service Center
P.O. Box 219212
Kansas City, MO 64121-9212

E-Mail
most529@missourimost.org

Toll-Free Information
888-414-MOST (888-414-6678)

World Wide Web
www.missourimost.org

The Missouri Higher Education Savings Program (the "Program Trust") is a trust created by the State of Missouri. When you invest in MOST—Missouri's 529 College Savings Plan (the "Plan"), you are purchasing portfolio units issued by the Program Trust. Portfolio units are municipal securities. The Plan has been implemented and is administered by the Missouri Higher Education Savings Program Board (the "Board").

Upromise Investments, Inc., and Upromise Investment Advisors, LLC, serve as the Program Manager and Recordkeeping and Servicing Agent, respectively, with overall responsibility for the day-to-day operations, including effecting transactions. The Vanguard Group, Inc., and American Century Investments serve as Investment Managers for the Plan. Vanguard Marketing Corporation, an affiliate of The Vanguard Group, Inc., markets and distributes the Plan. The Plan's portfolios, although they invest in mutual funds, are not mutual funds.

Investment returns are not guaranteed, and you could lose money by investing in the Plan. Account Owners assume all investment risks, including the potential for loss of principal, as well as responsibility for any federal and state tax consequences.

Vanguard Marketing Corporation, Distributor and Underwriter.

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